

# **Growth Management System Briefing Book**

**May 2025**



# List of Acronyms

<b>ADU</b>	Accessory dwelling unit
<b>AMI</b>	Area Median Income
<b>BIPOC</b>	Black, Indigenous, and People of Color
<b>BMP</b>	Best management practice
<b>CEP</b>	Community Enhancement Projects
<b>CFA</b>	Commercial floor area
<b>CPZ</b>	Community Priority Zone
<b>EA</b>	Environmental Assessment
<b>ECM</b>	Excess coverage mitigation
<b>EIP</b>	Environmental Improvement Program
<b>EIS</b>	Environmental Impact Statement
<b>ERU</b>	Existing Residential Unit
<b>HRA</b>	Hydrologically Related Area
<b>HUD</b>	Department of Housing and Urban Development
<b>IEC</b>	Initial Environmental Checklist
<b>MFR</b>	Multifamily residential
<b>PRU</b>	Potential residential unit of use
<b>RBV</b>	Residential bonus unit
<b>RTP</b>	Regional Transportation Plan
<b>RUU</b>	Residential unit of use



<b>SCS</b>	Sustainable Communities Strategy
<b>SEZ</b>	Stream environment zone
<b>TAU</b>	Tourist accommodation unit
<b>TLWG</b>	Tahoe Living Working Group
<b>TMPO</b>	Tahoe Metropolitan Planning Organization (a federal transportation-related designation for the TRPA)
<b>TRPA</b>	Tahoe Regional Planning Agency
<b>VMT</b>	Vehicle Miles Travelled
<b>WQMP</b>	Water Quality Management Program

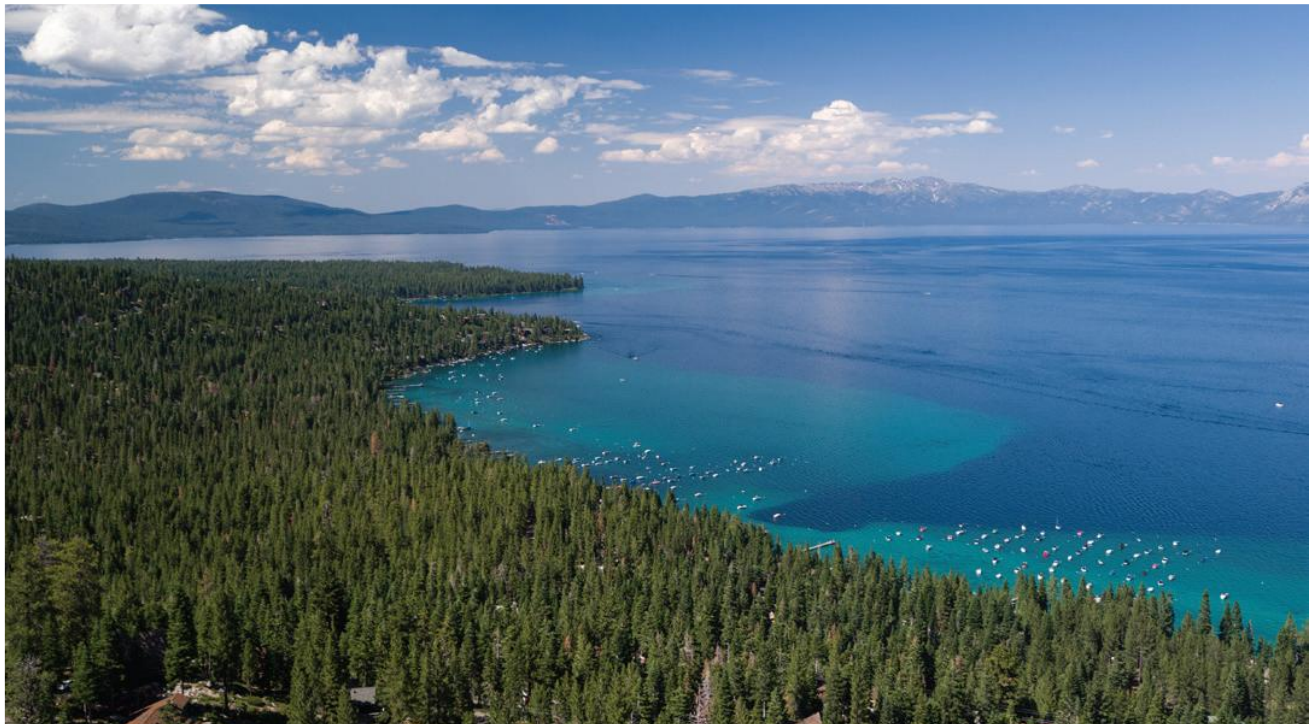


# Contents

List of Acronyms .....	2
Introduction.....	7
Executive Summary .....	8
Introduction.....	8
How to use this briefing book.....	8
Summary of Key Issues and Ideas.....	8
A Beginner's Guide to the Growth Management System.....	15
Planning Framework.....	15
Development Rights System .....	17
Key Terms .....	18
Background.....	20
EFFECTS OF THE DEVELOPMENT RIGHTs system .....	20
Housing Supply.....	21
HOUSING NEED .....	23
HOUSING COST BURDEN.....	24
Project Outcomes .....	29
Critical Issues.....	31
Development Rights .....	32
Development Rights Pool.....	32
Residential Allocation.....	38
Residential Bonus Units.....	42
Banking, Conversion, and Transfers of Development .....	47
Development Standards and Zoning.....	53
Land Coverage .....	53
Subdivisions.....	64
Development Standards .....	65
Expanded Housing Sites .....	71
Preliminary Ideas Identified to Address These Issues.....	73
Accessory Dwelling Units.....	75
Building Renovation and Rehabilitation .....	78
Process.....	81



Planning Process .....	81
Development Process .....	83
<b>Development Costs and Fees .....</b>	<b>86</b>
Development Costs and Fees .....	86
<b>Additional Housing Policy Ideas .....</b>	<b>90</b>
Housing Occupancy .....	90
Housing Models.....	96



# Disclaimer

This document was prepared by a third-party consultant under contract with the Tahoe Regional Planning Agency (TRPA) as part of an exploratory policy development process. The views, opinions, suggestions, and characterizations contained herein are intended to inform discussion and should not be interpreted as representing the formal positions, policies, or determinations of TRPA.

The content reflects a brainstorming and analytical phase in support of TRPA's *Cultivating Community, Conserving the Basin* initiative and includes ideas typical of those generated by a range of participants and interest groups, including local jurisdictions (e.g., counties or cities) during general policy planning efforts. The Tahoe Region is governed by a unique bi-state Compact and agency structure, established by Congress, with an environmental protection mandate that may not be fully reflected in all of the issues or ideas generated in this briefing book.

As such, this document may contain assumptions, generalizations, or preliminary ideas that are inconsistent with TRPA's Compact, Code of Ordinances, or other legal authorities. No part of this document should be cited or relied upon as a statement of TRPA policy or legal interpretation. TRPA will continue to review and refine the outcomes of *Cultivating Community, Conserving the Basin* in light of its statutory mission and legal framework. Final recommendations or agency policies, if any, will be developed through a separate public process and subject to formal approval by the TRPA Governing Board.



# Introduction

The Tahoe Regional Planning Agency (TRPA) recognizes that affordable housing<sup>1</sup> is vital for the health of the environment and communities in the Lake Tahoe Basin. Many who live and work in the basin are affected by the housing crisis, particularly workers who must commute in from neighboring areas and those who experience sub-standard housing conditions. To address this, TRPA has embarked on a multiyear project to update policies in the Lake Tahoe Regional Plan to make housing more accessible while maintaining and improving environmental protections. This work, called the *Cultivating Community, Conserving the Basin* phase of the Tahoe Living Strategic Priority focuses on improved growth management and deepening the agency and partners' capacity for two-way.

The Regional Plan is unique in the nation because it created mechanisms to manage growth and development in the basin that enable TRPA to protect sensitive areas, limit new development, and guide development into more appropriate areas to protect the lake. This growth management system, including a system of development rights, has been essential to environmental preservation throughout the region and remains central to carrying out TRPA's Congressionally mandated mission of protecting environmental thresholds. In recent years, however, broader market and economic forces have contributed to a pattern in which larger homes and resort developments are securing a disproportionate share of available development rights, while more modest and attainable housing types face increasing challenges. *Cultivating Community* presents an opportunity to explore how the development rights system--while continuing to advance environmental protection—can also support a more diverse range of housing types that align with sustainable community goals.

The purpose of this Discussion Draft Briefing Book on the Tahoe Region's growth management system is to consolidate key findings from technical analyses and summarize areas of opportunity for updating TRPA's regulations to achieve project outcomes related to resilient communities and environmental protection, housing choice, building trust, and equity. This briefing book builds upon key issues and recommendations from the Tahoe Living Working Group, the community, and TRPA staff and other partners, and will be used as a tool for crafting new policy concepts for consideration. These concepts will support recommended amendments to the Regional Plan goals and policies, TRPA Code of Ordinances, Rules of Procedure, and the growth management system in subsequent phases of the project. While the growth management system regulates residential, commercial, and tourist development, **this briefing book focuses primarily on the residential and housing component** and its interaction with other uses.

---

<sup>1</sup> TRPA uses the term "affordable housing" in a general sense throughout this document. Unless the first letter is capitalized, the terms "affordable housing" as well as "affordable and workforce housing" include any housing that is affordable to those who are eligible for "Affordable" and "Moderate" income housing as defined in Chapter 90 of the TRPA Code of Ordinances, as well as for local workers who may not meet those definitions. This may include naturally affordable housing (not deed-restricted). When capitalized, the terms "Affordable" and "Moderate" housing indicate a specific definition that includes income limitations for those who occupy the housing. See the "Key Terms" section or Chapter 90 of the TRPA Code of Ordinances.



# Executive Summary

## INTRODUCTION

The Tahoe Regional Planning Agency (TRPA) has embarked on a multiyear project to address a shortfall of housing available for those who live and work in the Tahoe Region. *Cultivating Community, Conserving the Basin* seeks to evaluate where TRPA's policies and regulations may be refined to better enable housing for the local workforce while maintaining and advancing environmental protections. While this project looks broadly at elements of TRPA's Code of Ordinances and Regional Plan impacting housing, it looks specifically at potential refinements to the growth management system and fees to better align with housing-related goals that are consistent with TRPA's environmental mission.

The "Growth Management System Briefing Book" compiles findings from TRPA's research and public outreach to better understand how Tahoe's regulatory and growth management systems could be amended to help address the workforce housing gap. While many drivers of Tahoe's workforce housing shortage are outside the scope of land regulation and TRPA authority, this initiative explores where targeted policy refinements could offer support, consistent with TRPA's mission.

## HOW TO USE THIS BRIEFING BOOK

The briefing book is intended to serve as a starting point for Tahoe Living Working Group discussions beginning in June and continuing through fall 2025. These policy discussions will result in a suite of recommended amendments to TRPA's policy and regulatory documents. The briefing book should not be considered a collection of policy recommendations, but rather as a summary of research and fact-finding to help guide the development of policy recommendations that meet the goals of *Cultivating Community*.

The briefing book is divided into 14 "policy topics," representing policy areas where targeted changes could better enable affordable and workforce housing outcomes, within the scope of TRPA's planning and environmental protection mission. Each chapter summarizes important background on the policy area, identifies how that policy area currently supports or presents barriers to workforce housing, and offers some initial ideas for how to better support housing as well as the underlying environmental goals supported by that policy area.

The briefing book is a large and detailed document, summarizing significant research on policies that were developed over several decades. No one should expect to become an expert in every "policy topic." Readers who are interested in a specific policy area should go deep into policy topics related to their area of interest and be prepared for robust discussions on policy recommendations for their area of interest starting in June. Readers are welcome to skip sections that do not interest them and instead review the "Summary of Key Issues and Ideas" below to gain a general understanding of each policy topic and important initial ideas.

## SUMMARY OF KEY ISSUES AND IDEAS

The following table is meant to provide a general summary of each "policy topic" as it relates to housing supply and affordability and an example of initial ideas to better support affordable and workforce housing. Initial ideas range in scope from fundamental changes to Tahoe's growth management system, to more narrow policy changes, to even more narrow technical regulatory changes. This summary attempts to organize a sample of initial ideas based on the scope (small, medium, or large) of the proposed change. Note, the table reflects the general range of ideas gathered through the "Listen and Explore" phase and previous phases of Tahoe Living, however additional





ideas are captured within individual “policy topic” sections and this table should not be considered comprehensive. Not all the ideas in the table may ultimately found to be feasible, desirable, or within TRPA’s authority. The table is intended to reflect ideas heard so far.

**Figure 1: Growth Management Briefing Book Summary Table**

Policy Topic	Summary	Technical change (small)	Policy Change (Medium)	System-Level Change (Large)
Development Rights				
Development Rights Pool	The development rights system requires the same residential development right per unit, regardless of the size and impact of the unit. Smaller units, with less impact should require less and/or larger units with more impact should require more.	<ul style="list-style-type: none"> <li>Convert underutilized development rights pools to bonus units</li> </ul>	<ul style="list-style-type: none"> <li>Increase access to bonus units for a range of multi-family project types</li> </ul>	<ul style="list-style-type: none"> <li>Scaled development rights</li> <li>Scaled fees based on impact</li> </ul>
Residential Bonus Units	Bonus unit incentives could be recalibrated to increase their utilization for workforce housing.	<ul style="list-style-type: none"> <li>Revise criteria and clarify steps for receiving bonus units</li> </ul>	<ul style="list-style-type: none"> <li>Increase access to bonus units for a range of multi-family project types</li> </ul>	
Banking, conversion, and transfers of development	Transfer and conversion ratios could be recalibrated to better incentivize the development of smaller units in centers.		<ul style="list-style-type: none"> <li>Increase transfer ratios to centers and decrease transfer ratios out of centers</li> </ul>	<ul style="list-style-type: none"> <li>Scaled development rights and re-evaluate conversion ratio to incentivize smaller workforce housing</li> <li>Mitigate for housing lost through redevelopment at a system-wide level</li> </ul>



Development Standards & Zoning				
Land Coverage	Tahoe's coverage system was adopted in the 1970s based on USFS planning principles to reduce erosion and stormwater impacts on water quality. The system was not designed to manage impacts from more urbanized areas. Improvements in stormwater infrastructure could be better suited to prevent runoff from urbanized areas and could have the added benefit of supporting housing goals.	<ul style="list-style-type: none"> <li>• Refine excess coverage mitigation fees, including incentives for affordable and workforce housing</li> <li>• Improve land verification process, allowing for area-wide verification</li> <li>• Web-based "coverage calculator"</li> </ul>	<ul style="list-style-type: none"> <li>• Provide coverage incentives for smaller housing, such as multi-family where coverage per unit is less than the average</li> <li>• Improve coverage transfer ratios to achieve regional coverage reduction goals by better incentivizing workforce housing in centers</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve water clarity goals by transitioning to performance-based stormwater treatment systems, such as area-wide stormwater systems, and phasing out coverage-based systems where warranted.</li> </ul>
Subdivisions	Tahoe's prohibition on land subdivision is a critical component of the region's growth management system, preventing the creation of new land development potential. The Code allows for condominium subdivision, but rules prevent the creation of certain condo-style small	<ul style="list-style-type: none"> <li>• Refine condominium subdivision rules to allow innovative homeownership models appropriate for the Tahoe Basin</li> </ul>		



	housing types that are popular and appropriate for workforce housing in the basin			
Development Standards	TRPA's development standards are designed to protect scenic and environmental thresholds. The Tahoe Living Phase 2 Affordable and Workforce Housing amendments sought to adapt these standards to better support deed-restricted housing while maintaining environmental protections. Further changes to these development standards may be warranted to support workforce housing feasibility while maintaining thresholds.	<ul style="list-style-type: none"> <li>• Revise development standards to ensure that they can be fully utilized</li> </ul>	<ul style="list-style-type: none"> <li>• Clarify local versus regional development standards</li> <li>• Revise standards to better recognize the scenic quality of redevelopment in urban areas</li> </ul>	
Expanded Housing Sites	There are limited sites available for new housing.	<ul style="list-style-type: none"> <li>• Facilitate housing on public land</li> <li>• Re-visit "transition zones"</li> </ul>	<ul style="list-style-type: none"> <li>• Compare existing allowed uses and town center boundaries with Regional Plan and Cultivating Community goals to identify</li> </ul>	



			areas where adjustments would better achieve goals	
Accessory Dwelling Units (ADUs)	ADUs are one of the most flexible, naturally affordable, and low-impact ways to build housing. They can also provide supplemental income for local residents.	<ul style="list-style-type: none"> <li>• Allow more ADUs per site</li> <li>• Create educational materials for those building ADUs</li> <li>• Pre-approved ADU plans</li> </ul>		<ul style="list-style-type: none"> <li>• Scaled development rights or other development right modifications tailored to ADU impacts</li> <li>• Scaled fees based on impact</li> </ul>
Building Renovations and Rehabilitation	Much of Tahoe's existing workforce housing stock is aging. Rules should support the preservation and improvement of this existing housing stock.	<ul style="list-style-type: none"> <li>• Fee waivers and streamlined permits for certain rehab and duplex conversion projects, including rehab of deed-restricted units</li> <li>• Update deed-restrictions to encourage investment and upward mobility</li> </ul>		
Process				
Planning Process	Area plans provide a flexible mechanism integrating environmental goals with local needs, but many areas are not covered by area plans and some rules pertaining to area plans could be updated to better serve community and	<ul style="list-style-type: none"> <li>• Simplify amendment process</li> </ul>	<ul style="list-style-type: none"> <li>• Clarify local v. regional standards and transition to performance-based guidance in the regional code</li> </ul>	



	environmental goals.			
Development Process	There are procedural hurdles for multi-family housing as compared to single-family housing. Amend the approval process for developing housing types that achieve Regional Plan goals to reduce administrative burden	<ul style="list-style-type: none"> <li>• Staff-level approval and streamlined environmental process for some multi-family housing types</li> <li>• Simplify site assessment process for multi-family</li> </ul>	<ul style="list-style-type: none"> <li>• Establish standard environmental mitigations in area plans</li> </ul>	<ul style="list-style-type: none"> <li>• Scaled fees based on impact</li> </ul>
Development Cost & Fees				
Development Costs & Fees	Fee structures should be scaled to address environmental impacts while incentivizing desired small housing types	<ul style="list-style-type: none"> <li>• Reduce mitigation and permit fees for affordable and workforce housing, while ensuring mitigation goals are met</li> </ul>		<ul style="list-style-type: none"> <li>• Scale fees based on impact of structure, not per unit</li> </ul>
Additional Housing Policy Ideas				
Housing Occupancy	Tahoe has long attracted second-home owners, but recent decades have seen an increase in seasonally occupied second homes and short-term vacation rentals relative to permanent residences. TRPA should consider where its policies could help	<ul style="list-style-type: none"> <li>• Refine deed-restriction programs to target intended population</li> </ul>	<ul style="list-style-type: none"> <li>• Inclusionary zoning policies</li> </ul>	<ul style="list-style-type: none"> <li>• Scaled development rights</li> <li>• Scaled fees based on impact</li> <li>• Leverage local powers to shift existing housing to local occupancy</li> </ul>



	reverse this trend.			
Housing Models	Certain housing types including co-housing, co-living, and land trust development could play a greater role in addressing Tahoe's housing needs.		<ul style="list-style-type: none"> <li>• Explore policy and regulatory changes to support these housing models</li> </ul>	<ul style="list-style-type: none"> <li>• Establish regional housing authority</li> </ul>



# A Guide to the Growth Management System

The Lake Tahoe Regional Plan guides development in the Tahoe Basin to establish a balance between the natural and built environment. This primer describes the planning framework, growth management system, and key terms used within this Discussion Draft Briefing Book.

## PLANNING FRAMEWORK

TRPA was established in 1969 through a bi-state compact between California and Nevada. The Compact calls for a Regional Plan to establish a balance between the natural environment and the human-made environment. As a bi-state regional environmental planning agency, TRPA has land use planning authority over the area within Lake Tahoe's watershed (the Tahoe Basin). TRPA's jurisdiction, as shown in Figure 2 consists of portions of five counties, one incorporated city, and more than 40,000 private properties. To protect, preserve and enhance Lake Tahoe for both the residents and visitors to the region, TRPA has adopted some of the strictest environmental protections in the United States, including a growth management system which limits and paces development through the use of development rights.

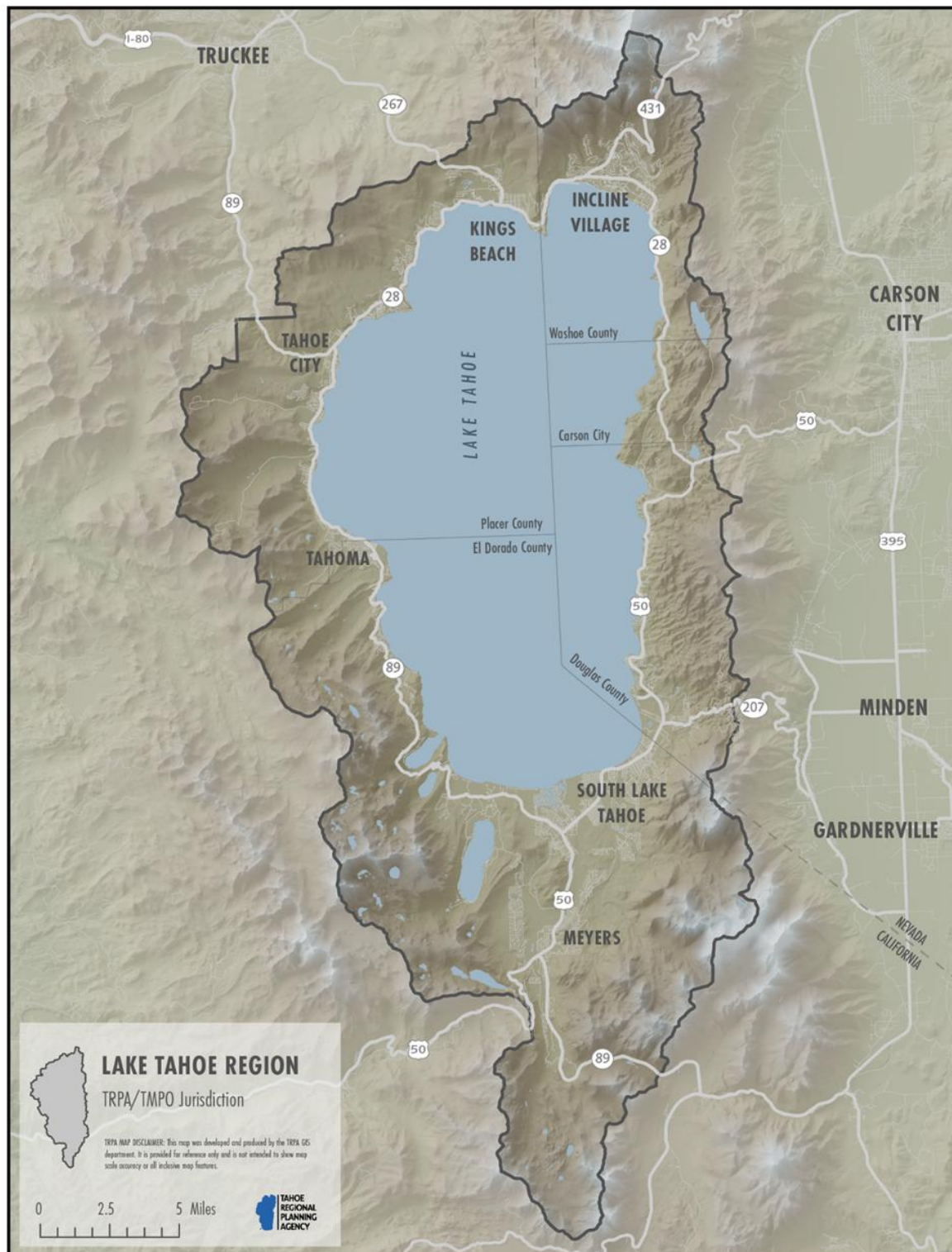
Several key planning tools control land use and development:

1. **Threshold Standards:** Environmental thresholds establish science-based standards necessary to maintain and restore the unique characteristics of the Lake Tahoe Basin.
2. **Regional Plan:** The Regional Plan is the set of documents that lays out goals, policies and ordinances that must achieve and maintain the adopted environmental thresholds. It sets the long-term vision for land use and development in the Tahoe Basin, and it establishes goals for environmental protection, transportation, recreation, housing and community character, among other topics. In service of these goals, the plan dictates how much development can occur over a certain timeframe (growth management). The plan emphasizes an improvement in the quality of development in the Region and in the quality of the natural environment.
3. **Code of Ordinances:** The TRPA Code of Ordinances is part of the Regional Plan and contains detailed regulations. It regulates aspects like what type of development can occur and in what locations, the intensity of development, and how development should prevent or minimize its environmental impact on environmental thresholds, such as water clarity and scenic standards. It builds out the details of the growth management plan. It also includes incentives to encourage the private and public sector to contribute to achieving Regional Plan goals and environmental mitigation

TRPA also prepares the Regional Transportation (RTP) and Sustainable Communities Strategy (SCS), and Water Quality Management Plan (WQMP) and Environmental Improvement Program (EIP).



**Figure 2: TRPA Regional Plan Area**





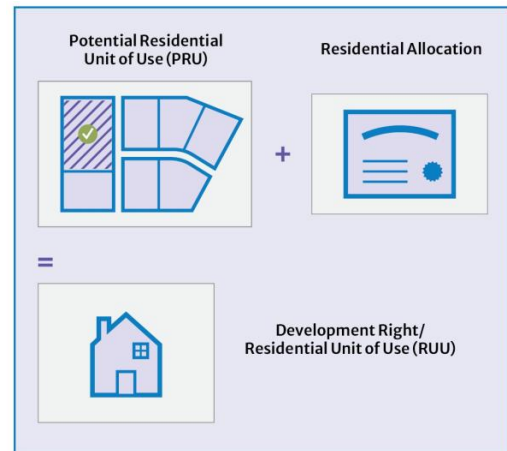
## Development Rights System Right

TRPA uses a system of development rights to manage the amount and timing of growth in the Tahoe Region. Development rights are units of use that must be obtained prior to the construction of a project. Development rights include tourist accommodation units (TAU), single and multi-family residential units of use (RUU), and commercial floor area (CFA).

**Residential Units of Use** are the development right required to build a residential unit. There are multiple ways to obtain an RUU.

- Combine a **Potential Residential Unit of Use (PRU)** and a **Residential Allocation**. Nearly all parcels zoned for residential use come with the potential to build one residential unit on them, however, that unit may not be constructed until the property owner receives an “allocation.” Allocations are metered out every two years and are how TRPA regulates the timing of growth. See the “Development Rights Pools” and “Allocations” sections, below. RUUs are formed by combining a Potential Residential Unit of Use (PRU) and a Residential Allocation. Together, they allow a property owner or developer to build one home.
- Obtain a **Residential Bonus Unit**. Residential Bonus Units are incentive units that may be received in exchange for a developer or property owner providing an additional benefit that helps to achieve Regional Plan goals. As early as 1987, the TRPA Governing Board determined that housing for lower-income households should not be subject to the timing restrictions. Thus, for deed-restricted housing, Residential Bonus Units may be used as a full RUU. For some other uses, Residential Bonus Units must be matched with an allocation. See the “Residential Bonus Unit” section.
- **Convert** Tourist Accommodation Units or Commercial Floor Area to a Residential Unit of Use. Existing development and potential development held in local pools or for local use<sup>2</sup> may be converted to other uses. See the “Banking, Conversions and Transfer of Development” section.

**Figure 3: Residential Development**



Development rights are tied to a property. Unused units can be banked on a property; sold and transferred to another property, either through the private market or local land bank; or converted to other land uses as noted above. Additionally, development rights can be acquired by retiring a sensitive property.

TRPA has created two explanatory videos on Development Rights:

- [Development Rights \(3 minutes\)](#)
- [Growth Management and Development Rights 101 \(starting at minute 40:25\)](#)

<sup>2</sup> Only development rights verified by TRPA as legally existing, awarded as a bonus unit in accordance with some parts of Chapter 51 or 52 of the TRPA Code of Ordinances, or held in allocation pools with the local jurisdiction are eligible to be converted.



## KEY TERMS

The Regional Plan and Code of Ordinances use terms specific to the Tahoe Basin and the development rights system. Because these terms are used throughout this briefing book, this section defines these terms in plain language, in alphabetical order. These terms, and how they relate to each other, will be further explained in subsequent sections in the briefing book.

- **Affordable, Moderate and Achievable Housing:**<sup>3</sup> Types of deed restricted homes in the TRPA region:
  - *Affordable:* Residential housing, deed-restricted to be used exclusively as a residential dwelling by seasonal workers or permanent residents that are lower-income households (income not in excess of 80 percent of the respective county's median income).
  - *Moderate:* Residential housing, deed-restricted to be used exclusively as a residential dwelling by permanent residents with an income not in excess of 120 percent of the respective county's median income.
  - *Achievable:* "Achievable" deed restricted housing units must meet one of the following criteria:
    - Have a household income not in excess of 120 percent of the respective county's area median income (AMI) (Moderate income households and below); OR
    - At least one household occupant works at least 30 hours per week or full time equivalency for an employer with a business license or tax address within the Tahoe Region/ Tahoe-Truckee Unified School District (TTUSD) and which requires the employee's physical presence within the boundaries of the Tahoe Region or TTUSD in order to complete the task or furnish the service for an average of at least 30 hours per week; OR
    - Resident is a retired person who has lived in a deed-restricted unit in the Tahoe Basin for more than seven years.
- **Affordable and workforce housing:** General terms to include any housing that is affordable to those who are eligible for "Affordable" and "Moderate" income housing as defined above, as well as for local workers who may not meet those definitions. This may include naturally affordable housing (not deed-restricted).
- **Allocation:** An allocation is permission to build a unit granted by TRPA and a local jurisdiction. TRPA distributes residential allocations to local jurisdictions on a biennial basis and then local jurisdictions distribute those to property owners and developers who wish to build. An allocation must be combined with a potential residential unit of use (PRUU) to commence construction of a residential unit.
- **Area median income (AMI):** The midpoint of all household incomes in a county. Set by the federal Department of Housing and Urban Development each year.
- **Banking of development rights:** Existing or potential development may be banked or held subject to TRPA eligibility requirements and restrictions.
- **Bonus units:** Residential development rights that are provided by TRPA (or in some cases the local jurisdictions) as incentives for contributing to Regional Plan goals, such as constructing Affordable, Moderate, and Achievable housing, or retiring sensitive parcels from future development.
- **Development right:** A legally existing unit of use that must be obtained prior to the construction of a project and commencement of use or activity on a property. Development rights include commercial floor area, tourist accommodation units, and residential units of use.
- **Land capability:** Land capability is a land classification system based on soils, hydrology, geomorphology, and vegetation that indicates the environmental sensitivity of land. The Bailey Land Capability System ranks soil types and assigns each to a land capability district ranging from 1 to 7, with land capability

---

<sup>3</sup> TRPA has posted a video explaining these definitions: [Affordable, Moderate, and Achievable definitions](#)



district 1 being the most environmentally fragile and sensitive to development. The Individual Parcel Evaluation System (IPES) considers a site's suitability for development and is only applied to single family parcels.

- **Land coverage:** A human-made structure, improvement, or covering that prevents water from infiltrating soils or prevents natural vegetation growth. Coverage may include driveways and streets, sidewalks, parking lots, and buildings. Land coverage limits are intended to promote infiltration and prevent stormwater runoff which causes erosion and pollution of the Lake.
- **Parcel:** An area of land or, in the case of a condominium, separate space, whose boundaries have been established by a legal instrument such as a recorded map or recorded deed and that is recognized as a separate legal entity for purposes of transfer of title.
- **Potential Residential Unit of Use (PRU):** A PRU is associated with any undeveloped parcel that has the potential for residential development (there are some exceptions which are described in Section 50.3 of the TRPA Code of Ordinances). A PRU must be combined with a residential allocation to become a residential unit of use so that building can commence.
- **Priority communities:** TRPA-defined demographic and socioeconomic groups that are historically and currently underrepresented in decision-making, have special needs that require tailored approaches to engagement beyond “general public outreach”, and/or experience economic, health, and quality of life disparities. These include zero vehicle households, seniors, persons living below the poverty line, individuals with a disability, youth, and BIPOC (Black, Indigenous, and People of Color).
- **Residential unit:** One or more rooms containing one or more bedrooms, with not more than one kitchen, designed to be occupied permanently as an independent housekeeping unit by one family or one collective household with facilities for living, cooking, sleeping and eating.
- **Residential Allocation:** See “Allocation.”
- **Residential Unit of Use (RUU):** An RUU is an existing residential unit or the result of combining a residential allocation and PRU to construct a single-family home or multi-family unit.
- **Sensitive and Non-sensitive lands:**
  - **Sensitive lands:** Lands that are more environmentally sensitive or where development may have greater impact on the lake, such as steep slopes and meadows with water flowing directly into Lake Tahoe. For lands with IPES scores, sensitive lands are at or below a score of 725; for lands without IPES scores, those lands identified as Land Capability Districts 1, 2, or 3; and lands within the backshore.
  - **Non-sensitive lands:** Lands that are less environmentally sensitive and may be more appropriate for development (e.g. low-lying land with no erosion problems). For lands with IPES scores, non-sensitive lands have a score above 725; for lands without IPES scores, those lands identified as Land Capability Districts 4, 5, 6, or 7; and that are not within the backshore.
- **Town Center:** Town centers are areas shown on the Regional Plan that are targeted for redevelopment in a manner that improves environmental conditions, creates a more sustainable and less auto-dependent development pattern, and provides economic opportunities in the region.
- **Urban area:** Non-conservation areas designated for residential, tourist, commercial/public service, or a mix of land uses.



# Background

Aspects of the development rights system combined with external forces have impacted the amount of housing available for local residents and workers.

## EFFECTS OF THE DEVELOPMENT RIGHTS SYSTEM

The development rights system accomplished important environmental goals of protecting sensitive lands and slowing development pressure, but combined with external forces on the housing market, the system, in combination with broader economic and market dynamics, has presented challenges in supporting the provision of sufficient affordable and workforce housing, as called for in the Regional Plan. Further, as with many regulatory systems, the affected community adapts their behavior over time in relation to external trends and market conditions. Although the system limits the number and timing of new units, recent trends toward larger home sizes may not align with the intended pacing, distribution, and impact of growth.

Since many of the trends related to increasing housing costs in the Tahoe Region are consistent with trends seen across the country, it can be difficult to extract the impact of Tahoe's unique system. Similar to trends observed in other resort communities, the Tahoe Basin has experienced an increase in vacation-oriented home development, which, combined with market conditions, may contribute to the reduced availability of lower-cost housing. Nevertheless, an examination of TRPA's program can identify opportunities for improvement. Table 1 summarizes several key cost issues associated with the development rights system. These are described in more detail later in the document.

**Table 1: High-Level Issues with the Development Rights System**

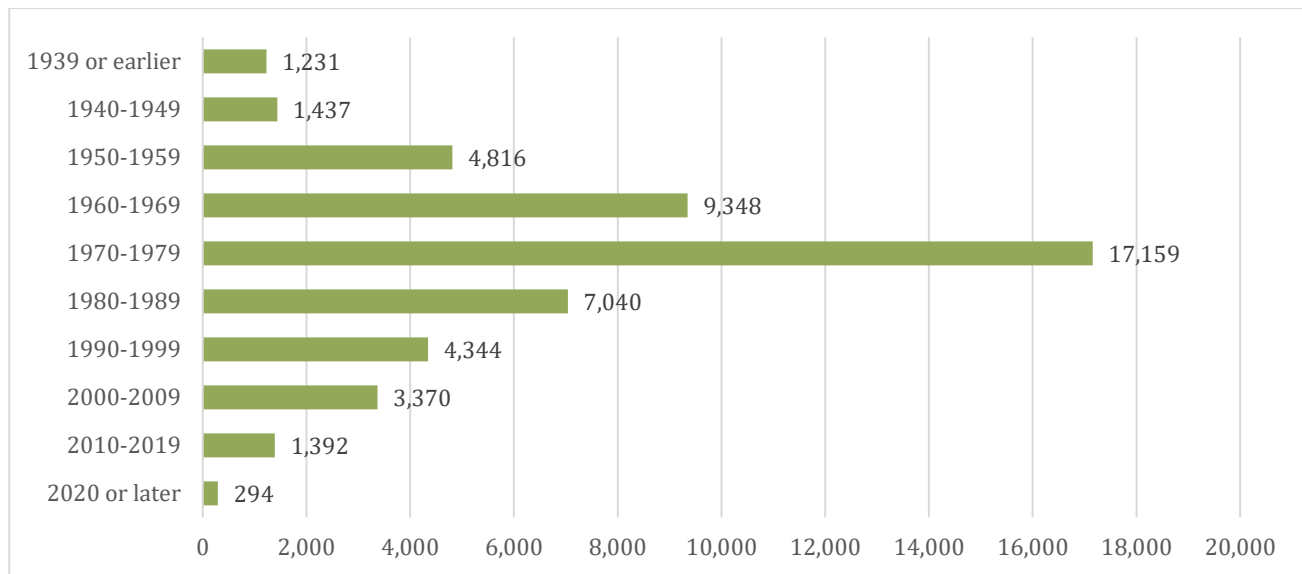
Issue	Description	Addressed in Policy Topics Section
Access to development rights	Development rights are limited, expensive, and difficult to obtain	Development Rights Pool; Residential Allocation; Residential Bonus Units; Banking, Conversions, and Transfers of Development
Assumes impacts are related only to the number of units, not size of units	The impact of the development rights system is tied to the number of units, not the size of units. Thus the cost of mitigation fees, the cost to purchase a development right, and other flat costs make up a greater proportion of the overall cost for smaller units as compared to larger units.	Development Rights Pool; Residential Bonus Units; Banking, Conversions, Land Coverage and Transfers of Development; Costs and Fees
Development standards	Zoning rules limit the location and size of buildings, as well as the number of units allowed on a parcel. The less flexibility, the more this adds cost.	Subdivision; Development Standards; Accessory Dwelling Units; Housing Site Locations; Land Coverage
Complex entitlement process	Permitting and approval process has more costs and requirements for some affordable housing types as compared to single-family homes, and can be time-consuming and expensive, discouraging development	Planning and Development Process; Costs and Fees



## HOUSING SUPPLY

The development rights system, as intended, significantly slowed residential development after the Regional Plan and the growth management system went into place. Over **80 percent of homes in the Tahoe Basin were constructed before the system** went into effect in 1987 as shown in Figure 4. The Regional Plan allows for a certain amount of growth each year. However, the actual rate of development after the adoption of the 2012 Regional Plan (2013-2022) has significantly lagged behind the rates that were forecast in the Regional Plan.<sup>4</sup> See Table 4, “Previously Forecasted Rates and Observed Rates of Development,” later in the document.

**Figure 4: Homes Constructed by Decade**



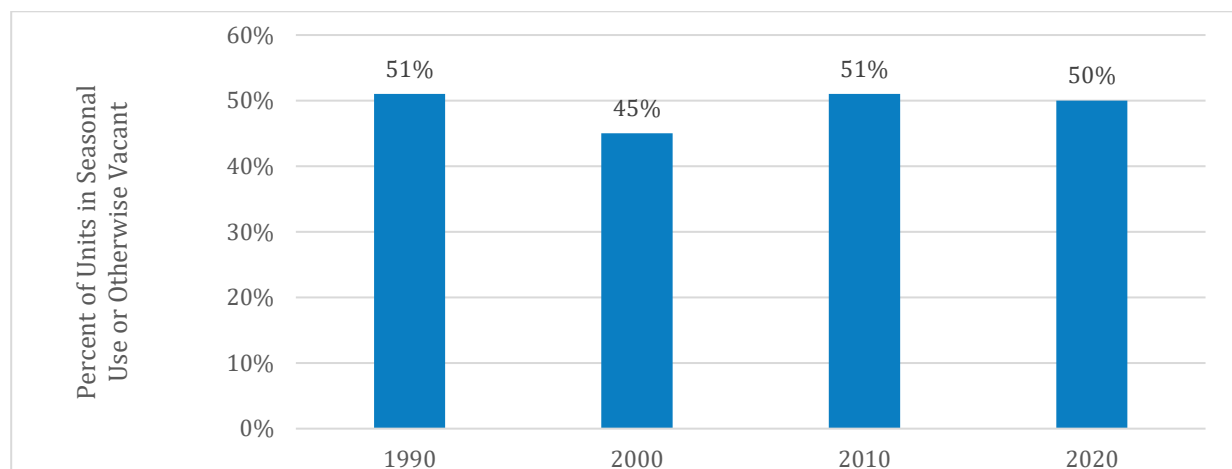
Source: U.S. Census, 2019-2023 ACS; TRPA, 2025.

As new home construction has slowed, the Tahoe Basin continues to experience an **increase in vacation and second homes** (e.g., seasonal or recreational use). Vacation and second homes account for nearly 50 percent of all housing in the region, as shown in Figure 5, and represent a functional decrease in the amount of housing that is available for full-time residents. Participants in the Tahoe Living workshops and surveys as part of the “Listen and Explore” phase reported that vacation and second homes also create distinct quality of life impacts, including making neighborhoods feel empty and unsafe, loss of local culture and sense of community, lower school enrollment, and a reduction in community services.

<sup>4</sup> TRPA Regional Data Trends Report. 2023. Retrieved from [https://www.trpa.gov/wp-content/uploads/AppendixB\\_RTP\\_Data\\_Trends-2023.pdf](https://www.trpa.gov/wp-content/uploads/AppendixB_RTP_Data_Trends-2023.pdf)



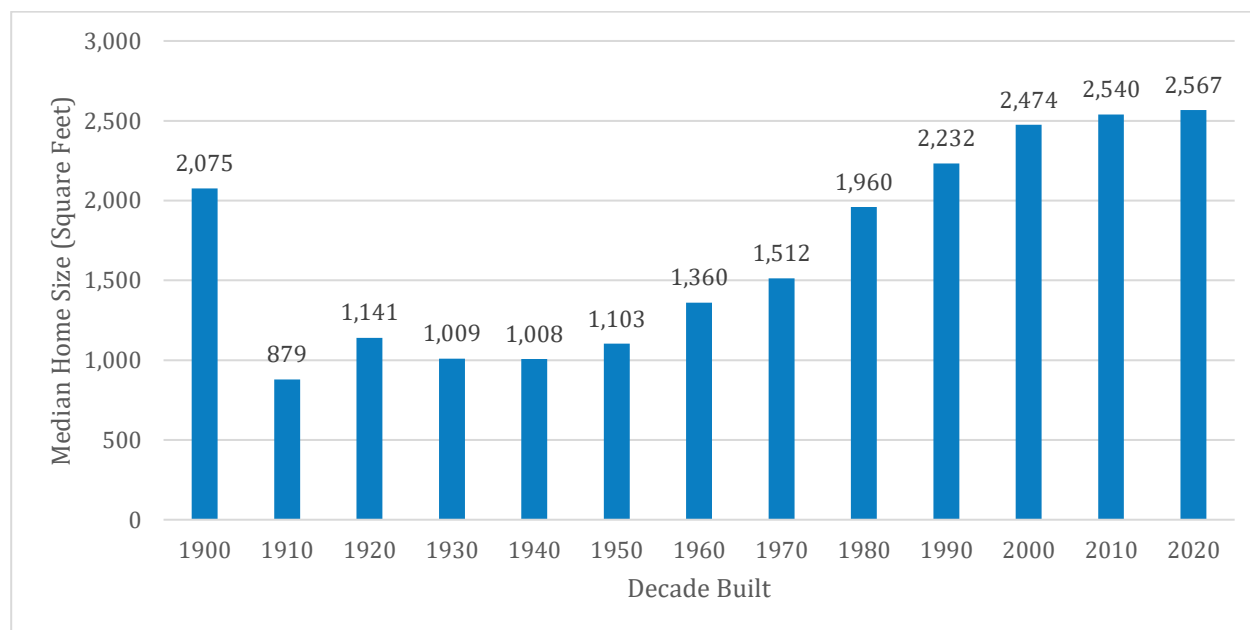
**Figure 5: Share of Vacation and Second Homes**



Source: U.S. Decennial Census, 1990-2020

Along with that growth, median home size has also been increasing. In the 1970's, the median size of homes built was around 1500 square feet. In the 2020s median size of homes built is over 2500 square feet (Figure 6).

**Figure 6: Median Home Size by Decade**

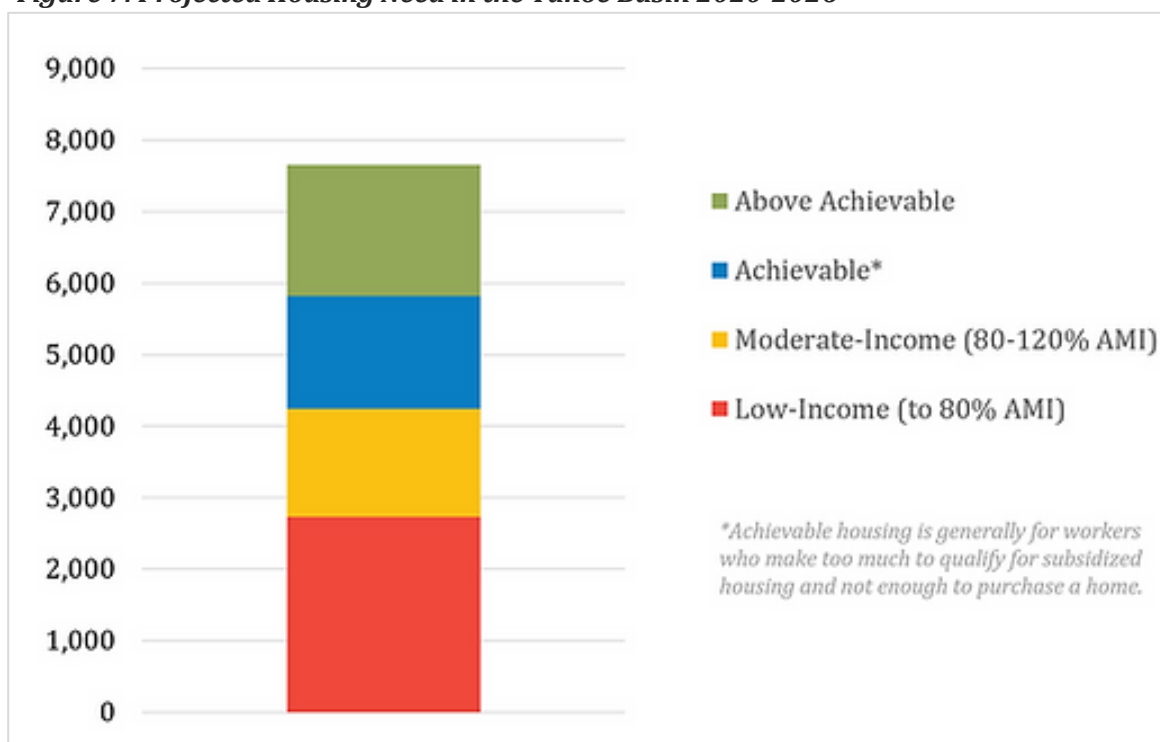


## HOUSING NEED

As the pool of available homes for local residents has declined due in part to vacant and second home use, the Lake Tahoe Basin continues to have an **unmet need for housing at all income levels**, as shown in Figure 7. Low- and moderate-income housing makes up more than half of the total housing need for the region, according to studies conducted between 2019 and 2021. An additional study of housing needs is underway for the Lake Tahoe Basin and will be completed later in 2025.

The constrained supply of housing units, coupled with high demand for second homes and short-term rentals, has created a highly competitive housing market. With home sale and rental prices increasing steadily across the entire Tahoe Basin, **only 28 percent of Tahoe residents could afford the median home price of \$980,000** in January 2024.<sup>5</sup> Likewise, the limited multifamily rental housing inventory and high demand for single-family homes among second home buyers is contributing to a shortage of available long-term rentals within the Lake Tahoe Basin.

**Figure 7: Projected Housing Need in the Tahoe Basin 2020-2026**



Source: TRPA summary of Regional Housing Needs Assessments. Retrieved from <https://www.trpa.gov/wp-content/uploads/Summary-of-Housing-Need-by-Income-Level-from-Regional-Housing-Needs-Assessment-Documents.pdf>

<sup>5</sup> Property Radar. Real Estate Sale Price Monthly Average. Retrieved from: <https://climate.laketahoeinfo.org/Demographics-and-Workforce>

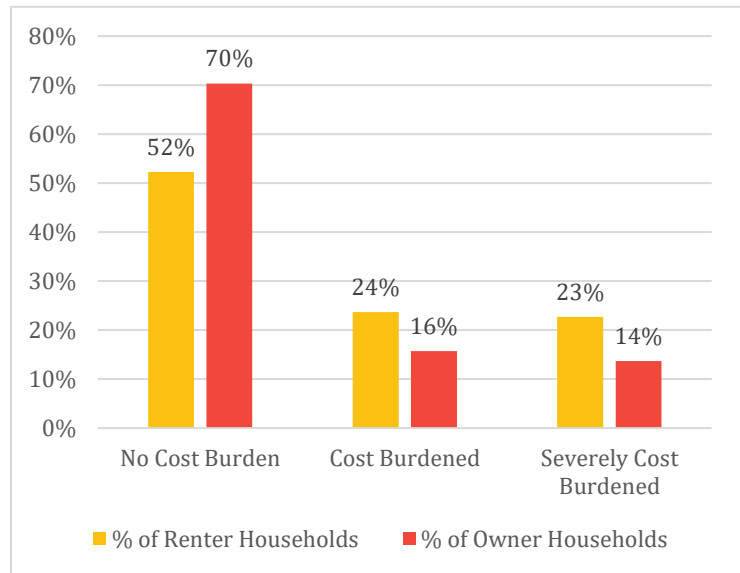


## HOUSING COST BURDEN

Renters in the basin are more likely to experience housing problems than homeowners. For example, 74 percent of renters in the basin make less than or equal to the area median income (AMI), compared to 34 percent of all homeowners.<sup>6</sup> Of these families, 47 percent of renters' families and 30 percent of homeowners identify as cost burdened or severely cost burdened when it comes to paying their mortgage or rent.

Figure 8 shows the distribution of all renters and owners by cost burden. Families that spend less than or equal to 30 percent of their monthly income on rent or mortgage are not considered cost burdened. Those that spend more than 30 percent but less than or equal to 50 percent are considered cost burdened, and spending more than 50 percent qualifies as severely cost burdened. Nearly half of all renters are cost burdened to some extent, while 70 percent of all owners are not. While much of this gap may be attributable to lower incomes among renters, is it significant when you consider that home ownership is itself a primary source of wealth for American families.

**Figure 8: Cost Burden by Tenure**



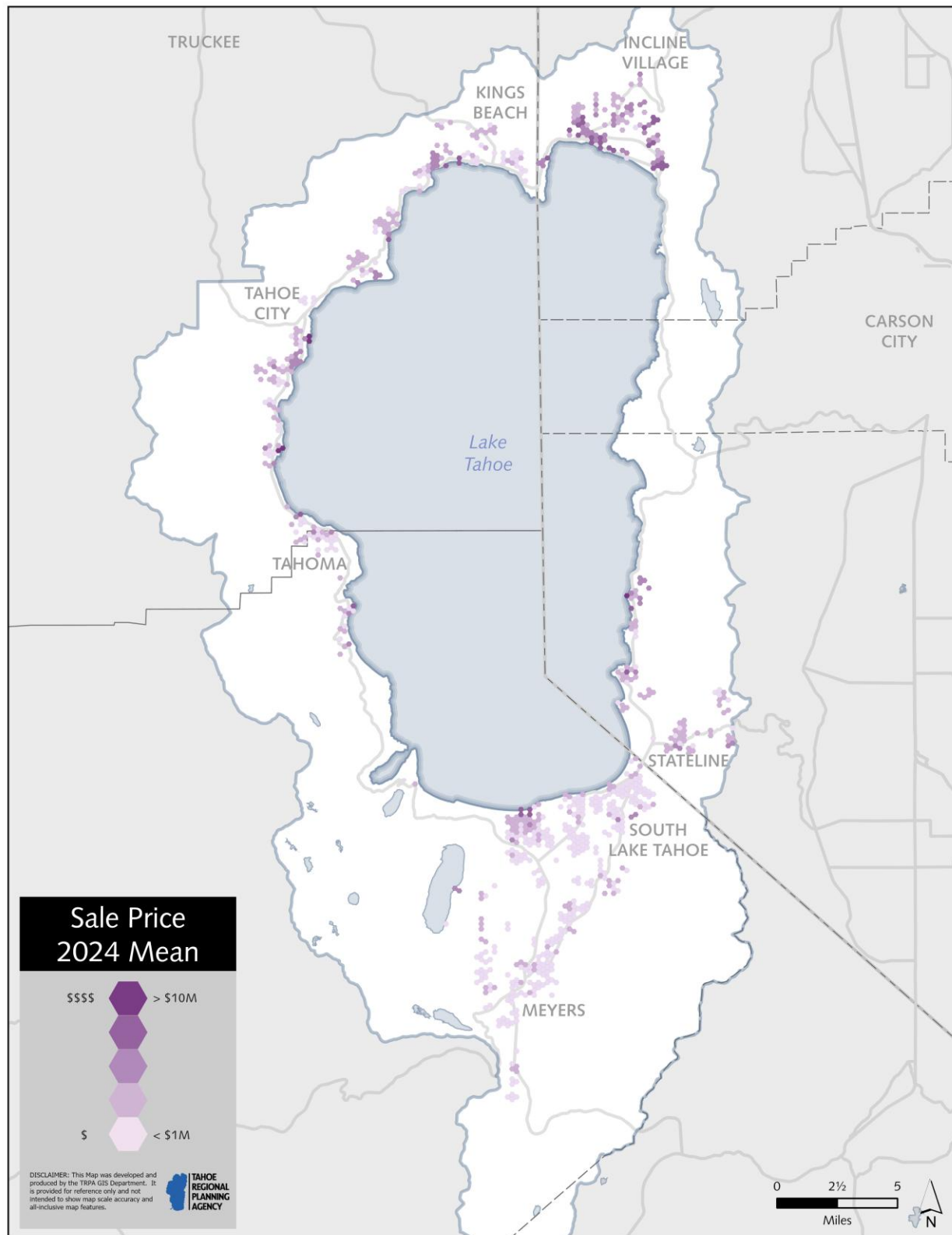
Data source: U.S. Census, 2019-2023 ACS; TRPA; BAE, 2025

<sup>6</sup> For reference, half of households will have incomes above 100 percent AMI, and half will be below.





**Figure 9: Average Home Sale Price Within the Tahoe Region**

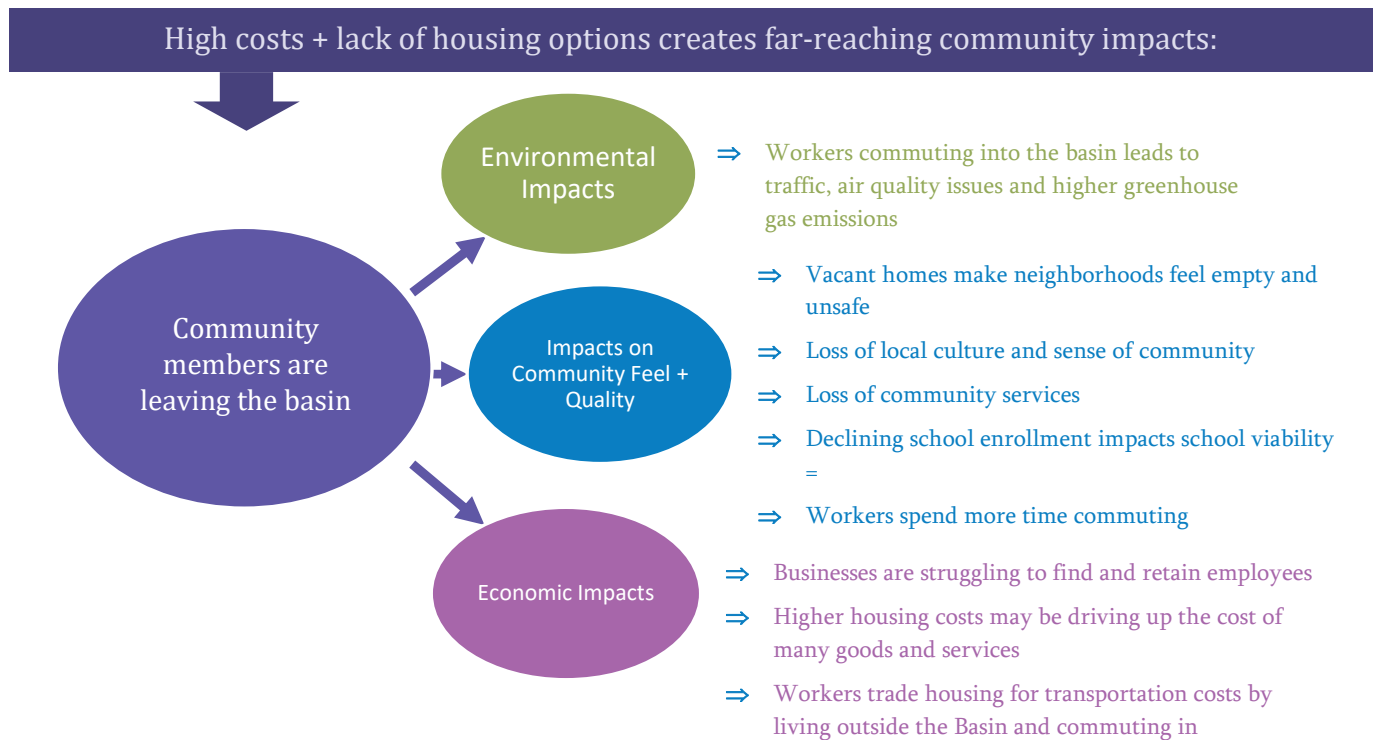


Data source: Property Radar, TRPA



High housing costs and lack of housing options were two of the most critical issues to emerge from the initial phase of community engagement. These housing issues—driven largely by regional and national economic forces—may contribute to a range of environmental, social, and economic challenges, including those observed by working class households of the local community.

**Figure 10: Community Identified Impacts**



*Note: These impacts were identified by community members during the Listen and Explore phase.*

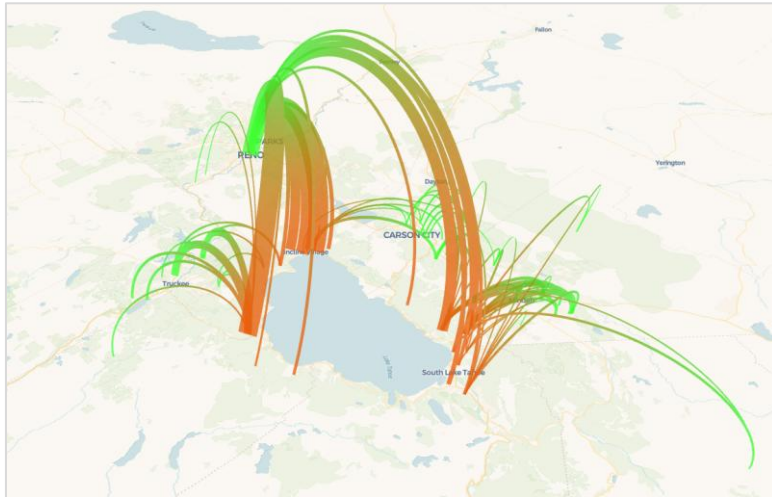
Increasing housing prices create distinct quality of life impacts, including **workers trading housing for transportation costs by living outside the basin and commuting in**. For example, on average, workers who live in the Tahoe Basin travel for less than ten minutes and less than ten miles to their jobs, while workers who live or work outside the basin travel over forty miles and nearly one hour to work.<sup>7</sup> While housing prices are more affordable outside the basin, this drives up costs for gas and vehicle maintenance, and contributes to congestion, air quality, greenhouse gas emissions, and more time spent away from family and community.

**Housing burdens and impacts fall disproportionately** on BIPOC (Black, Indigenous, and People of Color) individuals and other Priority Communities in the Tahoe Basin. These include a greater proportion of cost-stressed and housing stressed families. Likewise, members of the BIPOC community face housing problems at rates that are significantly higher than those of the general population (Figure 12). The term “housing problems” as used by the federal department of Housing and Urban Development (HUD) encompass issues negatively impacting a

<sup>7</sup> TRPA Travel Demand Model. 2025.



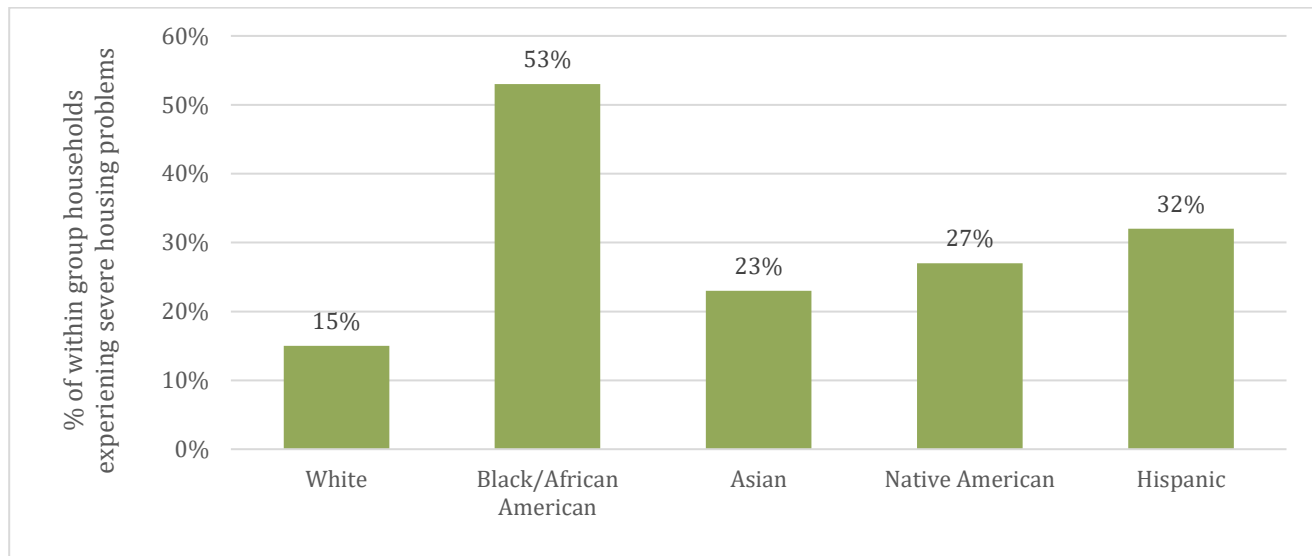
**Figure 11: Worker Trips into and out of the Tahoe Basin**



Data source: U.S. Census LEHD

household's ability to afford adequate housing and can include issues of affordability (housing cost burden), quality (substandard housing or overcrowding), quantity (lack of housing or homelessness), and other issues including disparity and discrimination in housing. Figure 13 illustrates the location of housing problems in the region.

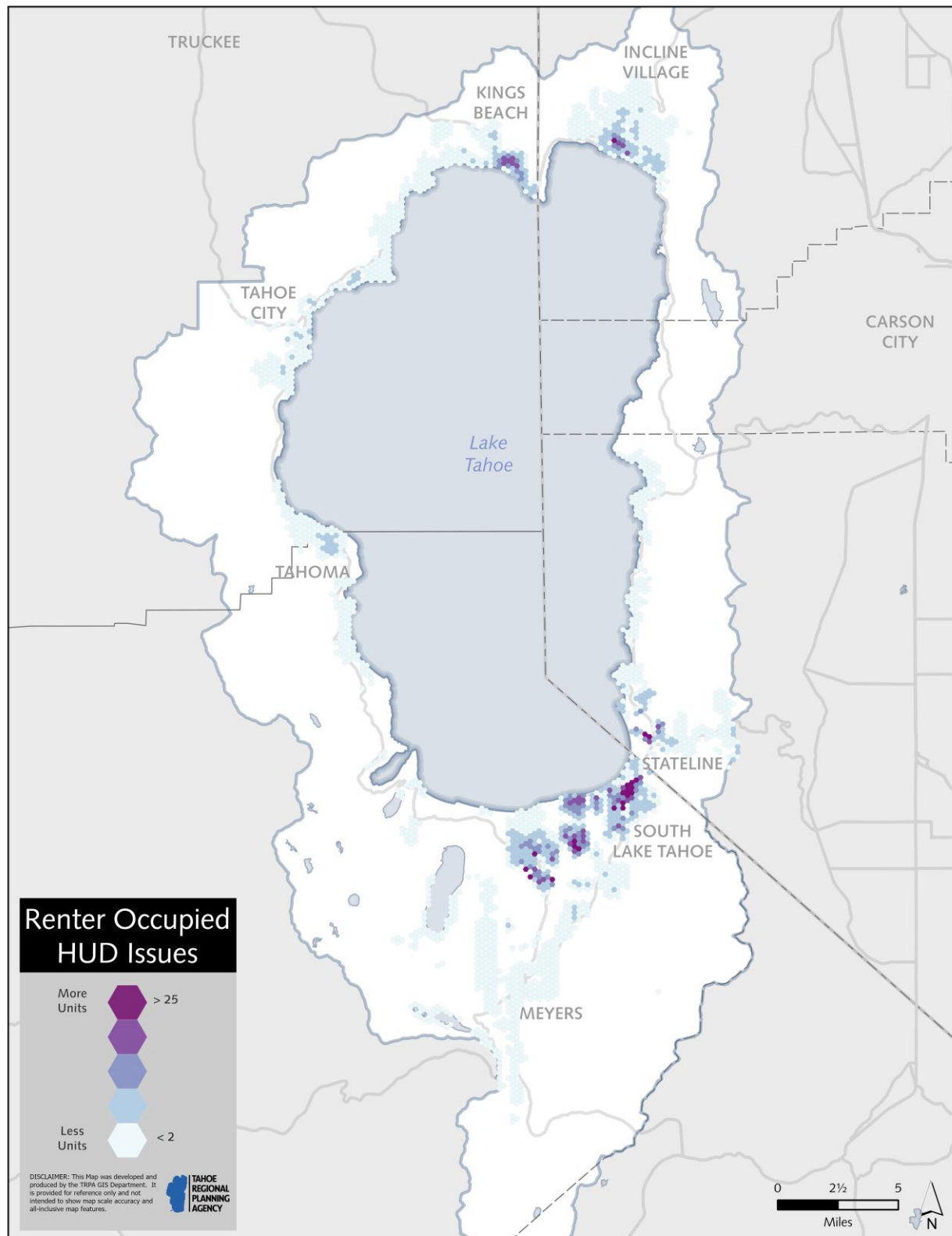
**Figure 12: Severe Housing Problems by Race and Ethnicity in the Tahoe Region**



Source: U.S. Census, 2019-2023 ACS; TRPA; BAE, 2025. HUD defines housing problems broadly as issues negatively impacting a household's ability to afford adequate housing and can include issues of affordability (housing cost burden), quality (substandard housing or overcrowding), quantity (lack of housing or homelessness), and other issues including disparity and discrimination in housing.



**Figure 13: Renter Housing Problems**



Source: U.S. Census, 2019-2023 ACS; TRPA 2025. HUD defines housing problems broadly as issues negatively impacting a household's ability to afford adequate housing and can include issues of affordability (housing cost burden), quality (substandard housing or overcrowding), quantity (lack of housing or homelessness), and other issues including disparity and discrimination in housing.





# Project Outcomes



Through summer and fall 2024, TRPA conducted community engagement for the *Tahoe Living: Cultivating Community, Conserving the Basin* project. Participants explored how individuals envision the future of the region and the most important values of community, environment, climate resilience, housing, and equity. The resulting set of desired “project outcomes” was approved by the TRPA Governing Board on March 26, 2025 and will be used to guide recommendations, assess policy ideas and options (to be developed later in the process) and will also be the basis for evaluating the long-term performance of the programs.

## VISION FOR THE PROJECT

The vision for the TRPA project is to adapt policies and programs where appropriate to facilitate community vitality, create compact, walkable neighborhoods, and meet the overall housing need<sup>8</sup> for the Lake Tahoe Basin in ways that are consistent with TRPA’s Compact-mandated environmental protections.

## RESILIENT COMMUNITIES

Create resilient communities by:

- Directing development into compact, walkable neighborhoods to limit the impact of development, create a healthy living environment, preserve surrounding natural areas, and create vibrant communities where people live and work.
- Increasing the availability of affordable and/or workforce housing in the Lake Tahoe Basin to support the regional economy and local businesses.

---

<sup>8</sup> As identified through the Assess and Generate portion of the process.



- Minimizing the risk of natural hazards for new and existing housing as indicated through an environmental analysis using the best science available and consistent with legal requirements.

## HOUSING CHOICE

Increase housing choice in the Tahoe Region by:

- Providing for a wider range of housing types that meet the proportion of housing needed for different income groups as identified in this process.
- Advancing a range of housing options for individuals and families of all types and income levels to ensure greater housing occupancy, community vitality and stability, and upward mobility for local households and families.
- Incentivizing and reducing costs and barriers for smaller housing types that are more achievable to rent or buy and have lower environmental impacts due to their smaller footprints.
- Encouraging mixed-income rental and for-sale housing.
- Simplifying the development process, regulations, and environmental review for smaller units and multifamily housing that achieves environmental goals to facilitate and reduce costs for affordable and workforce housing.

## TRUST AND COMMUNITY BUILDING

Foster trust and a strong sense of community by:

- Working with a diverse set of community members and partner agencies to build knowledge, trust, and ownership in the planning process.
- Collaborating with the Washoe Tribe of Nevada and California in accordance with their consultation policy.<sup>9</sup>
- Providing Tahoe Basin-wide leadership through actions taken by TRPA to advance housing policy, regulation, and programs to create more equitable, accessible, and inclusive housing, while maintaining and improving environmental protections.



## EQUITY:

Focus on those most impacted by:

- Ensuring priority communities, including low-income households, seniors, BIPOC community members, and those with disabilities, have equitable access to quality housing near education, recreation, jobs, services, and other opportunities.
- Preserving, improving, and supporting occupancy of existing housing used by local households.
- Minimizing displacement of current residents (both homeowners and renters).



<sup>9</sup> Washoe Tribe Liaison Consultation Policy. Retrieved from <https://washoetribe.us/departments/aboutpage/2914-Page-consultation-policy>







## Policy Topics

The following is a summary and analysis of the critical topics that the Tahoe Living process has identified in the TRPA Regional Plan and Code of Ordinances related to the development rights system and housing production. These include the development rights pool and allocation process; residential bonus units; banking, conversion, and transfers of development; land coverage; development process; development standards; subdivisions, and accessory dwelling units. These topics have been organized into sections on Development Rights, Development Process, Development Standards and Zoning, Fees and Other Policy Ideas. Where appropriate, each section includes:

- A description of the topic
- Issues
- Relevant Regional Plan and Code of Ordinance references
- Preliminary ideas identified to address these issues including:
  - Ideas prioritized by the Tahoe Living Working Group (TLWG)
  - Other ideas stemming from the Cultivating Community process or previous Tahoe Living phases for potential further consideration

The preliminary ideas identified to address these issues were synthesized from concepts recommended by the TLWG, community members, staff from TRPA and local jurisdictions, TRPA commissions and boards, and the project team through the initial stages of Cultivating Community. Not all ideas listed within this Discussion Draft briefing book will become recommendations for Regional Plan and Code of Ordinance policy concepts during the next work period of the *Cultivating Communities, Conserving the Basin* project. Some ideas are outside the jurisdiction of TRPA, others are beyond the scope of this phase, need additional technical analysis, or may be impractical for other reasons. Nonetheless, they have all been documented here until more analysis can be completed on the ideas.



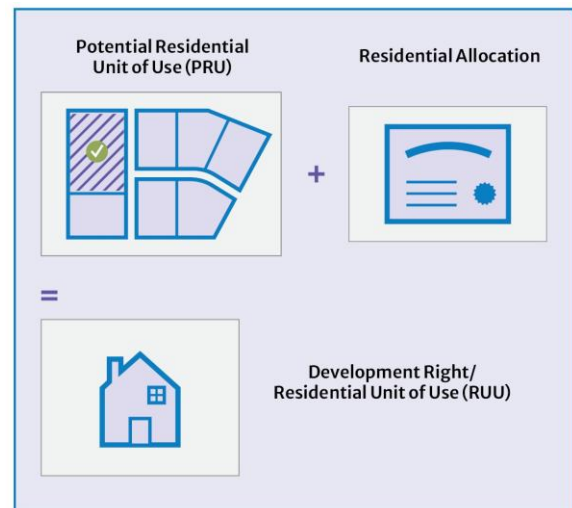
# DEVELOPMENT RIGHTS

## Development Rights Pool

TRPA uses a system of development rights to manage the amount and timing of growth with the goal of protecting the natural environment in the Lake Tahoe Basin.

As described above in the “Guide to the Growth Management System,” development rights are land use units that are either already associated with a property, or which must be acquired before a property is developed. Development rights include single and multi-family residential units of use (RUUs), commercial floor area (CFA), and tourist accommodation units (TAUs). Residential units of use (RUUs), or residential development rights, are formed by combining a potential residential unit of use (PRU) and a residential allocation as shown in Figure 14. Each residential parcel comes with one PRU, however a residential unit may not be constructed until that PRU is matched with a residential allocation. Residential allocations are metered out by TRPA. In this way TRPA is able to pace development over time. See the “Allocations” section of this briefing document.

**Figure 14: Residential Development Right**



The Regional Plan and Code of Ordinances established pools of development rights for tourist, residential, and commercial development to be constructed in the Tahoe Basin. Since the pools are limited, the amount of overall development is limited. TRPA manages and tracks the use of these development pools.

The 2012 Regional Plan authorized 2,600 new residential allocations to be released through 2032, adding to the allocations still remaining from the 1987 Regional Plan. Every two years, TRPA reviews and considers distributing allocations to local jurisdictions, with a yearly distribution of 130 allocations<sup>10</sup> to be released to local jurisdictions based on their achievement of environmental and permit compliance performance measures.

Table 2 summarizes existing and allowable development in the basin through the end of 2024. As of December 31, 2024, the TRPA development rights pool included 3,508 remaining residential units of use (this assumes that remaining allocations will be matched with PRUs over the timeframe of the Regional Plan), 553,036 square feet of commercial floor area, and 342 tourist accommodation units. As will be described in a subsequent section, commercial floor area and tourist accommodation units can be converted to residential units of use, and vice-versa, so while the combination of the pools represents a cap on overall development, the pools themselves do not represent a strict cap on one type of development. See the “Banking, Conversions and Transfer of Development” section.

<sup>10</sup> TRPA code section 50.5.1.C states that a max of 120 allocations are provided to local jurisdictions and section 50.5.1.D states that 10 allocations (plus any not earned by locals under 50.5.1.C ) are put into the TRPA incentive pool, for a total of 130 allocations each year (260 every two years).





**Table 2: Summary of Development Inventory as of December 31, 2024**

Type	Existing	Banked	Remaining Allocations and Development Rights authorized in the 2012 Regional Plan	Total Existing and Potential Development
Residential Unit of Use	49,000	493	3,508	53,001
Commercial Floor Area	6,430,377	388,013	553,036	7,371,426
Tourist Accommodation Unit	10,915	1,460	342	12,717

Source: TRPA, LakeTahoeInfo.org/Parcel Tracker, Development Right Pool Balance Report

The remaining Residential Unit of Use row in Table 2 includes unused allocations for the local jurisdictions and TRPA, bonus or incentive units held by TRPA, and unreleased residential allocations.

The residential pool of 3,508 includes:

- **Unused allocations previously released to local jurisdictions:** 974 residential allocations previously released to local jurisdictions have not yet been used.
- **Unused allocations in the TRPA allocation incentive pool:** includes 111 residential allocations in the TRPA “Residential Allocation Incentive Pool.”<sup>11</sup>
- **Bonus units:** 1,381 residential bonus units controlled and distributed by TRPA and the local jurisdictions.
- **Unreleased allocations:** 1,042 unreleased residential allocations remaining. These residential allocations from the 2012 Regional Plan Update are currently held by TRPA for future distribution on a bi-annual basis, up until 2032.

Additionally, there are banked residential units of use:

- **Banked units:** There are an additional 493 banked residential units of use available in the Tahoe Basin. Existing or potential development may be banked, or held, on a parcel subject to eligibility requirements and restrictions. They may be transferred to other parcels.

Likewise, there are 169,452 square feet of commercial floor area (CFA) in local pools, 183,584 square feet of CFA in TRPA’s pool, and another 200,000 square feet of CFA in a TRPA pool which may not be used until local jurisdictions have exhausted other CFA. For tourist accommodations, 130 units are available in community plans and 212 are in a TRPA pool (138 of which are reserved for projects).<sup>12</sup>

## ISSUES

With a limited amount of new development allowed under the Regional Plan, **development rights can be expensive and difficult to obtain**, particularly for multi-residential development that is not deed-restricted. A

<sup>11</sup> The Residential Allocation Incentive Pool is available to jurisdictions to use if they have a “TRPA-Certified Local Government Moderate-Income Housing Program (Section 52.3.6)”. They can use these with fewer restrictions than the main “Affordable, Moderate, and Achievable” program for Bonus Units.

<sup>12</sup> The three projects with reserved units are WALT/Boulder Bay (40 units), Homewood (50 units), and Tahoe City Lodge (48 units).



recent study in South Lake Tahoe found the market rate for a residential unit of use was \$28,500.<sup>13</sup> Additional information on development costs and fees is covered later in the briefing book. This significantly increases the cost of development in the basin, particularly for multifamily housing where a full residential unit of use must be obtained for each residential unit or modest housing more generally where the cost of a development right represents a greater proportion of the total construction cost. High housing costs and limited supply--largely driven by market demand for second homes--have contributed to a shortage of housing accessible to the local workforce. While TRPA's development rights system plays a role in shaping land use, many of these factors are external to TRPA's direct control. The most recent regional housing needs assessment documents<sup>14</sup> identified a housing shortage of approximately 5,800 units in the basin, while only 3,508 residential units remain in the development pool through 2032 (although conversions could help augment this number).

There is **added complexity in securing development rights for multi-family housing**. A single-family housing project must only compete for and secure one residential development right (RUU = PRU + allocation) as compared to a multi-family housing project which would need to purchase and secure multiple PRUs and allocations. Securing these rights often requires contacting and transacting with multiple private property owners, as well as completing a transfer application with the TRPA, making it much more costly and difficult to build multi-family housing. Historically land banks have held very minimal, if any residential development rights for purchase.

TRPA allows deed-restricted housing to receive bonus units (see the "Residential Bonus Units" section). When bonus units are used for Affordable, Moderate, or Achievable housing they do not require a separate allocation from a local jurisdiction or TRPA. This should make it easier to build workforce housing. However, market-rate multi-family housing, which is often used as rental housing for local workers, is still at a disadvantage in navigating the development rights and permitting system given zoning, fees, and other regulatory barriers to multi-family housing vis-a-vis single family housing. This Briefing book will go into greater detail on these disadvantages in other "policy topic" sections of the document.

Likewise, the development rights system currently treats all new residential units the same, regardless of size or type. However, utility data suggest that energy consumption can vary significantly depending on unit type and square footage. For example, the average single-family home uses over 2,000 kWh (or 40%) more electricity annually than the average townhome or rowhouse, and over 3,000 kWh (or 87%) more annually than the average multi-family unit, as shown in Figure 15. The average townhome uses about 33% more electricity annually than the average multifamily unit in a building with five or more units. Similarly, as residential units increase in size, the amount of electricity used by the unit increases as shown in Figure 16. The same consumption patterns exist for both electricity and natural gas in single family and multi-family homes.

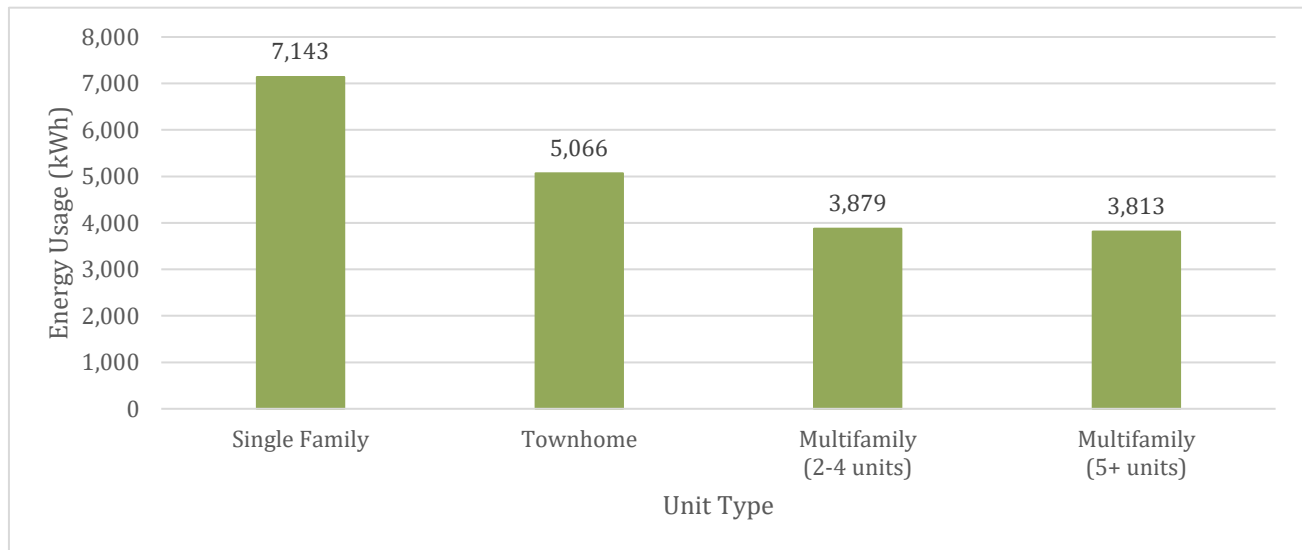
---

<sup>13</sup> City of South Lake Tahoe Intangible Development Rights Valuation Update Letter. Johnson Valuation Group, Ltd. 2024.

<sup>14</sup> TRPA. Summary of Housing Need by Income Level. Retrieved from <https://www.trpa.gov/wp-content/uploads/Summary-of-Housing-Need-by-Income-Level-from-Regional-Housing-Needs-Assessment-Documents.pdf>

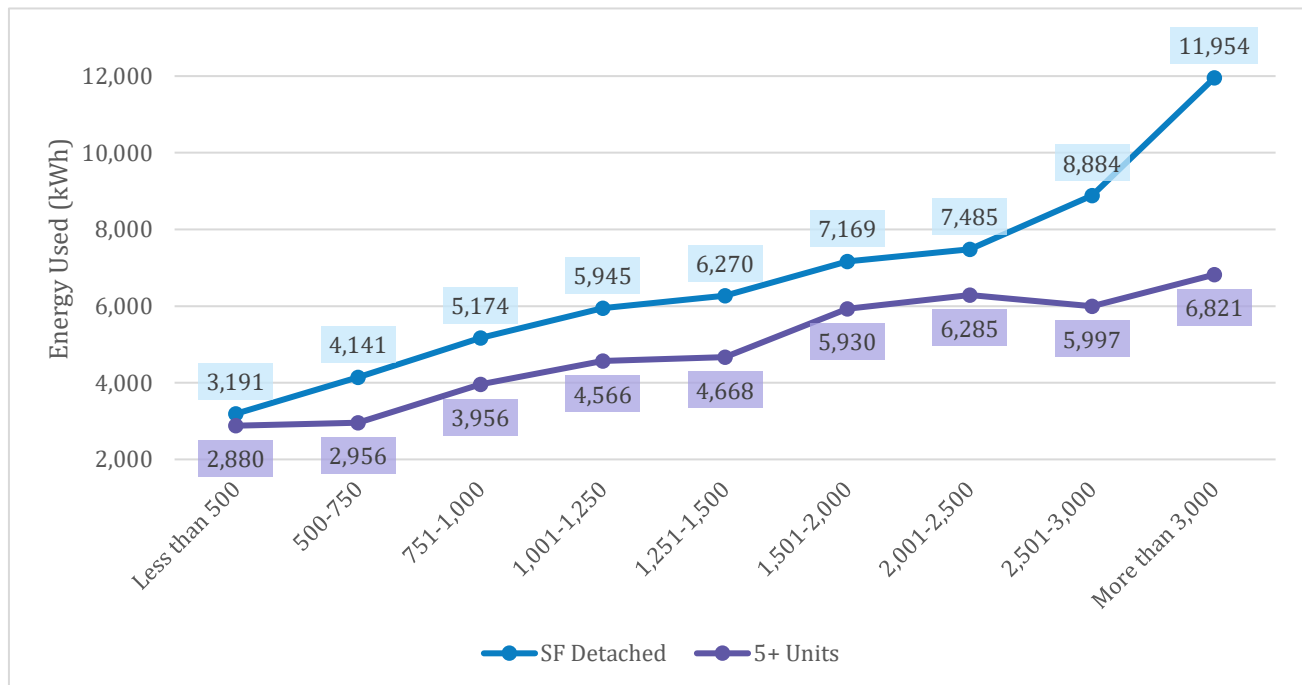


**Figure 15: Average Annual Electricity Usage by Unit Type**



Source: Residential Appliance Saturation Study, California Energy Commission, 2020.

**Figure 16: Average Electricity Usage by Unit Type and Size (SF Detached vs Unit in 5+ Complex)**



Source: Residential Appliance Saturation Study, California Energy Commission, 2020.

Likewise, water use and solid waste generation vary by housing type. For South Lake Tahoe on average, single family homes generate nearly two times more waste than multi-family homes (0.41 versus 0.22 average tons annually).<sup>15</sup> Similarly, single family homes use two times more water than multi-family homes (0.33 versus 0.15

<sup>15</sup> Solid Waste Characterization Study, Cal Recycle, 2024.



average acre-feet annually).<sup>16</sup> Vehicle trip rates are generally lower for multi-family housing than for single-family.<sup>17</sup>

## REGIONAL PLAN AND CODE REFERENCES

- **Regional Plan**

- LU-2.1: The Regional Plan adopted by the agency shall specify the total additional development which may be permitted within the region, not to exceed the limitations set forth below.

<b>Residential Units of Use Inventory (as of October 24, 2012)*</b>	
Residences Developed before 1987	40,865
Total Potential Residential Units of Use in 1987	18,690
Potential Residential Units of Use Retired 1987-2011	8,360
Potential Residential Units of Use Developed or Allocated to Jurisdictions 1987-2011	6,087
<b>Total Potential Residential Units of Use Remaining</b>	<b>4,243</b>
Remaining on Buildable Parcels	2,791
Remaining on Marginal Parcels	765
Remaining on Unbuildable Parcels	535
Banked Potential Residential Units of Use	152
*Note: All statistics are estimates and are not regulatory	

- DP-2.2: The maximum number of residential allocations, commercial floor area, tourist bonus units and residential bonus units that may be released before December 31, 2032 is outlined in the table below.

<b>ALLOCATION AND DEVELOPMENT RIGHTS ACCOUNTING<sup>4</sup></b>				
<b>ALLOCATIONS/ RIGHTS</b>	<b>DEVELOPMENT</b>	<b>USED 1987-2012</b>	<b>REMAINING FROM 1987 PLAN<sup>1</sup></b>	<b>2013 ADDITIONS</b>
<b>Residential Allocations</b>		<b>5,973</b>	<b>114</b>	<b>2600</b>
<b>Residential Bonus Units</b>		<b>526</b>	<b>874</b>	<b>600<sup>2</sup></b>
<b>Tourist Bonus Units</b>		<b>58</b>	<b>342</b>	<b>0</b>
<b>Commercial Floor Area (Total square feet)</b>		<b>416,421</b>	<b>383,579</b>	<b>200,000<sup>3</sup></b>
	<i>Placer County</i>	<i>128,623</i>	<i>72,609</i>	
	<i>Washoe County</i>	<i>87,906</i>	<i>2,000</i>	
	<i>Douglas County</i>	<i>45,300</i>	<i>36,250</i>	
	<i>El Dorado County</i>	<i>15,250</i>	<i>36,150</i>	
	<i>City of South Lake Tahoe</i>	<i>77,042</i>	<i>52,986</i>	
	<i>TRPA Special Project and CEP Pool</i>	<i>62,300</i>	<i>183,584</i>	
<i>Note 1: 158,816 sq. ft. of Commercial Floor Area, 245 Residential Bonus Units and 90 Tourist Bonus Units have been reserved or allocated to projects (e.g., Community Enhancement Projects) that have not been permitted or permitted but not built are accounted for in the "Remaining from 1987 Plan" column. The 114 remaining residential allocations were distributed to local governments in 2011 and 2012, but have not been built.</i>				
<i>Note 2: 600 Residential Bonus Units shall be used only in Centers.</i>				

- **Code of Ordinances**

- **Chapter 50 - Allocation of Development:**

- Section 50.4.1 Total Allocations and Accounting of Development Rights Table: Provides the Allocation and Development Rights Accounting Table and is the same as the table under Regional Plan DP-2.2.

<sup>16</sup> 2020 Urban Water Management Plan, South Tahoe Public Utility District, 2021.

<sup>17</sup> TRPA Project Impact Assessment Guidelines, <https://www.trpa.gov/wp-content/uploads/documents/PIA-Guidelines-Final.pdf>



## PRELIMINARY IDEAS IDENTIFIED TO ADDRESS THESE ISSUES

The following ideas were generated through the initial stages of the Cultivating Community process through consultation with the TLWG, community members, staff from TRPA and local jurisdictions, TRPA commissions and boards, and the project team. **Not all ideas will become recommendations for Regional Plan and Code of Ordinance amendments. Some ideas may need additional technical analysis, are outside of TRPA's jurisdiction or may be impractical for other reasons.**

The following idea was **identified as a priority** for further consideration at the TLWG meeting held on December 9, 2024:

**DR-1 Square feet versus units:** Explore using square footage as the metric for residential development rights rather than number of units. This could help compensate for differences in unit size and impact between large single-family homes and smaller single-family and multi-family housing homes and realign incentives in favor of smaller homes.

The following preliminary ideas were also identified:

**DR-2 Improve access to residential development rights for multi-family properties:** Consider making multi-family RUUs more easily accessible from a centralized bank. Today, on parcels where residential uses are permissible, each parcel is only entitled to one PRU. Therefore, multi-family projects require not only allocations from a jurisdiction but also additional PRUs which must be purchased and transferred from another property or land bank. Residential development rights could be added from the Residential Bonus Unit pool or through conversions or transfers.

**DR-3 Additional bonus units:** Consider converting unallocated CFA and TAUs in underutilized TRPA pools to bonus units. The residential allocation incentive pool could also be reallocated to the bonus unit pool. This would add bonus units to the development rights pool to help address regional housing needs in the basin. Align or reassign development rights within the bonus unit pool with the established housing need, particularly for low-income, moderate-income, and achievable-income levels.

**DR-4 Support new units on existing building footprints:** Create a process to allow and possibly incentivize conversion of single-family homes to duplexes.



## Residential Allocation

Each year, TRPA distributes a limited number of residential allocations—currently capped at **130 per year**—to the five local jurisdictions in the Lake Tahoe Basin: El Dorado County, Placer County, Douglas County, Washoe County, and the City of South Lake Tahoe.<sup>18</sup> Allocations are distributed based on TRPA’s Performance Review System, which rewards jurisdictions for implementing environmental improvements, such as stormwater management and erosion control, implementing delegated permitting authority, and implementing short-term rental neighborhood compatibility programs. Unused allocations may be carried over to the following year or reallocated under certain circumstances. Distribution for calendar years 2025 and 2026 occurred in March 2025.<sup>19</sup>

Code of Ordinances Table 50.5.1-1 (included in the Relevant Code References Section below) shows the share of allocations distributed to each jurisdiction annually, and Table 3 shows how many remaining residential allocations each jurisdiction currently holds. As illustrated by the data, jurisdictions generally have not distributed all their yearly allocations, which has allowed them to accumulate residential allocations over time. Once received, each jurisdiction is responsible for deciding how to distribute its share to applicants, typically through a permitting process or waiting list. Most jurisdictions currently issue allocations on a first-come, first-served basis. Some jurisdictions, such as the City of South Lake Tahoe, specify a proportion of their residential allocations reserved for single-family or multi-family housing projects.

**Table 3: Residential Allocations by Jurisdiction as of December 31, 2024**

Jurisdiction	Existing Residential Units	Banked Existing Residential Units	Remaining Unused Allocations Released by TRPA to Local Jurisdictions	Remaining Unreleased Residential Allocations	Remaining Bonus Units	Total
City of South Lake Tahoe	15,669	238	206	0	109	16,222
Douglas County	4,527	101	100	0	67	4,795
El Dorado County	9,099	39	169	0	0	9,307
Placer County	11,754	55	348	0	45	12,202
Washoe County	7,949	60	151	0	120	8,280
Carson County	2	0	0	0	0	2
TRPA Incentive Pool	0	-	111	1,042	1,040	2,193
Total	49,000	493	1,085	1,042	1,381	53,001

Source: TRPA, [LakeTahoeInfo.org/Parcel Tracker](https://www.laketahoeinfo.org/ParcelTracker), [Development Right Pool Balance Report](#)

## ISSUES

TRPA’s allocation system is intended to pace development over time. When paired with the system of distributing bonus units for deed-restricted Affordable, Moderate and Achievable, the result is that non deed-restricted (market-rate) housing is subject to being metered out over time (except when constructed using converted CFA or

<sup>18</sup> Of these, ten allocations plus any not earned by the local jurisdictions are put into the TRPA incentive pool each year

<sup>19</sup> TRPA (2025). *Recommendation to Distribute 2025 and 2026 Residential Allocations*. Retrieved on April 2, 2025 from <https://www.trpa.gov/wp-content/uploads/Agenda-Item-No-V-A-Residential-Allocations.pdf>



TAUs), while deed restricted housing does not have to wait for the “timing piece” and can be constructed as soon as a permit can be issued.

In some jurisdictions, there are waiting lists or a prioritization schedule for distributing allocations. In others, such as Douglas County, there is no waiting list and allocations are drawn down slowly. While Douglas County only receives 10 allocations annually, it has nearly 200 banked RUUs or unused allocations. While this would be sufficient to build a multi-family project, the challenge with obtaining PRUs may be one reason why such a development has not happened yet. The most recent multi-family project to be permitted in Douglas County converted CFA to RUUs, rather than using PRUs and allocations. If TRPA were to resolve the issues with multi-family projects having better access to PRUs, then allocations could become more of a limiting factor in constructing multi-family projects.

Whether the limiting factor is access to PRUs or allocations, the observed rate of development in the ten-year period after the adoption of the 2012 Regional Plan (2013-2022) has significantly lagged behind the rates that were forecast in both the 2012 Regional Plan, and the two most recent Regional Transportation Plan/Sustainable Communities Strategies (RTP/SCS), as shown in Table 4. Since 2013, an average of 103 residential units per year have been built. The current rate of residential allocation use is approximately 50 percent lower than was forecast in the 2012 Regional Plan.<sup>20</sup>

**Table 4: Previously Forecasted Rates and Observed Rates of Development**

Observed Rates			Forecasted Rates		
	1987-2022 Rate per year	2013-2022 Rate per year	2012 Regional Plan per year	2017 RTP/SCS per year	2020 RTP/SCS per year
Commercial	13,173	2,413*	25,374	41,831	7,650
Tourist Accommodation	2	-48*	15	36	35
Residential	177	103	209	229	172

\* Actual rate of CFA and TAU includes previously existing development that was removed, restored, and banked between 2013-2022, including nearly 500 TAUs and more than 200,000 sf CFA.

Source: TRPA Regional Data Trends Report. 2023. Retrieved from [https://www.trpa.gov/wp-content/uploads/AppendixB\\_RTP\\_Data\\_Trends-2023.pdf](https://www.trpa.gov/wp-content/uploads/AppendixB_RTP_Data_Trends-2023.pdf)

The **allocation formula has not been reassessed in approximately ten years**, meaning the number of allocations given to each jurisdiction may no longer reflect current population growth, land availability, or housing needs. Some jurisdictions are sitting on unused allocations, while others—especially where housing demand is highest—run out quickly. This imbalance on the one hand may restrict where and how housing can be built, but it may also reflect that some jurisdictions either have put in place or more naturally have the conditions needed to produce housing more readily than other jurisdictions.

## RELEVANT EXISTING REGIONAL PLAN AND CODE REFERENCES

- **Regional Plan**
  - LU-3.6: TRPA shall reserve a portion of the available development allocations and residential bonus units to promote the transfer of development rights from sensitive lands to Centers.

<sup>20</sup> TRPA Regional Data Trends Report. 2023. Retrieved from [https://www.trpa.gov/wp-content/uploads/AppendixB\\_RTP\\_Data\\_Trends-2023.pdf](https://www.trpa.gov/wp-content/uploads/AppendixB_RTP_Data_Trends-2023.pdf)





- LU-3.7: TRPA shall maintain a portion of the available development allocations and residential bonus units to promote the transfer of development rights from outlying residential areas to Centers.
- DP-2.3: The annual release rate for residential allocations and commercial floor area shall be identified in the code of ordinances and shall utilize a system that modifies the rate of release based on performance towards environmental improvements.
- HS-1.2: Local governments will be encouraged to assume their “Fair Share” of the responsibility to provide lower and very low income housing.
- **Code of Ordinances**
  - **Chapter 50 - Allocation of Development:**
    - Section 50.5.1 Requirement of Residential Allocation: Defines applicable uses, definitions of “Additional Residential Unit”, distribution of annual allocations, additional bonus units, and residential incentive allocation pool.
    - Table 50.5.1-1: Maximum Yearly Allocations Table lists the annual allocation by percentage and maximum allocation.

TABLE 50.5.1-1: MAXIMUM YEARLY ALLOCATIONS		
Jurisdiction	Current % of Allocations	Maximum Allocation
Douglas County	8	10
EL Dorado County	25	30
Placer County	31	37
City of South Lake Tahoe	28	33
Washoe County	8	10
<b>Total</b>	<b>100%</b>	<b>120</b>

- Section 50.5.2 Distribution and Administration of Residential Allocations: Describes the Performance Review system for distributing allocations to local jurisdictions

## PRELIMINARY IDEAS IDENTIFIED TO ADDRESS THESE ISSUES

The following ideas were generated through the initial stages of the Cultivating Community process through consultation with the TLWG, community members, staff from TRPA and local jurisdictions, TRPA commissions and boards, and the project team. **Not all ideas will become recommendations for Regional Plan and Code of Ordinance amendments. Some ideas may need additional technical analysis or may be impractical for other reasons.**

**RA-1 Introduce a performance-based incentive for allocations to jurisdictions that is based on progress toward meeting the overall housing need:** Implement a "carrot or stick" approach to allocation distribution to encourage jurisdictions to support multi-family, Affordable, Moderate, and Achievable housing. For example, jurisdictions that approve more Affordable, Moderate, and Achievable housing projects receive additional allocations, while those that underperform receive reduced allocations. Consider a “fair share” housing requirement by jurisdiction to ensure that all jurisdictions are contributing toward the overall housing goals.

**RA-2 Improve access to residential development rights for multi-family properties (same suggestion as in “Development Pools” section):** Consider making multi-family RUUs more easily accessible from a centralized bank. Today, on parcels where residential uses are permissible, each parcel is only entitled to one PRU. Therefore, multi-family projects require not only allocations from a jurisdiction but also additional PRUs which must be purchased and transferred from another property or land bank. Residential development rights could be added from the Residential Bonus Unit pool or through conversions or transfers.





**RA-3 Housing and jobs co-location:** Add a criterion for the distribution of residential allocations based on housing and jobs co-location to support jobs-housing linkage.



## Residential Bonus Units

In addition to allocations, TRPA manages a residential **Bonus Unit Pool**. The Bonus Unit Pool contains a separate reserve of residential development rights that can be awarded for projects that meet specific criteria, such as providing **Affordable, Moderate, or Achievable housing**, rehabilitating sensitive lands, reducing land coverage, locating in town centers, or providing other environmental benefits. Developers can earn bonus units by meeting these incentive-based criteria. For Affordable, Moderate, and Achievable housing, as well as some other incentives, the requirement for an allocation is waived.

As of December 31, 2024, there are **1,381 Residential Bonus Units (RBUs)** in the pool controlled and distributed by TRPA or local jurisdictions. Of these, 83 RBUs have been assigned to projects that are currently under construction—including the second phase of the Sugar Pine Village project and the Lake Tahoe Community College dormitory—and 163 units are reserved for projects that are permitted but not yet started. An additional 457 units have been reserved for proposed projects that have not yet been permitted. This leaves 678 RBUs that have not been reserved or permitted to projects as of December 31, 2024.

A total of 93 **residential bonus units have been constructed since 2013**, at a rate of just under eight per year. The current rate of utilization is just 10 percent of the forecast used in prior forecasts. As noted above, however, with the projects under construction and permitted, the utilization rate of residential bonus units is anticipated to increase.

### *How Can Someone Get a Residential Bonus Unit?*

Bonus units can be awarded in several ways, each designed to align development with TRPA's environmental and housing goals. There is currently no waiting list for bonus units and obtaining a bonus unit is generally the fastest way to acquire a residential development right. A developer or property owner may be eligible for a bonus unit(s) if their project meets any of the following and as shown in Figure 17:

- **Affordable, Moderate, or Achievable housing:** Bonus units are available for housing that is deed-restricted for residents who meet TRPA's income or workforce eligibility criteria. Only projects on parcels within TRPA's bonus unit boundary<sup>21</sup> are eligible.
- **Transfer of development to Town Centers:** Bonus units may be awarded for transfers of PRUs or existing development from parcels far from centers to parcels in a center. This incentive is designed to encourage compact, infill development in centers and areas with established transit to reduce sprawl and vehicle miles traveled. Only projects on parcels within an adopted Area Plan designated as a receiving area for multi-residential units are eligible for this transfer incentive.
- **Transfer of development out of stream environment zones:** Bonus units may be awarded for transfers of PRUs or existing development from environmentally sensitive parcels to non-sensitive parcels. To qualify, projects often need to meet certain standards and criteria, such as restoring the sending parcel and permanently restricting it from future development (retiring sensitive land).
- **Multi-family residential projects that include environmental mitigation:** Multi-family housing projects that provide a combination of various environmental mitigation measures, such as participation in water quality improvement projects, stream environment zone (SEZ) restoration, retirement of sensitive parcels, and building less land coverage than the maximum allowed, may be eligible to receive bonus units based on a defined scoring system developed by TRPA. Unless the project is restricted to Affordable, Moderate, or Achievable housing, bonus units used for multi-family housing require an allocation.
- **Removal and retirement of excess coverage in Town Centers, Regional Centers, or the High-Density Tourist District:** Excess land coverage is defined as existing land coverage greater than what is allowed

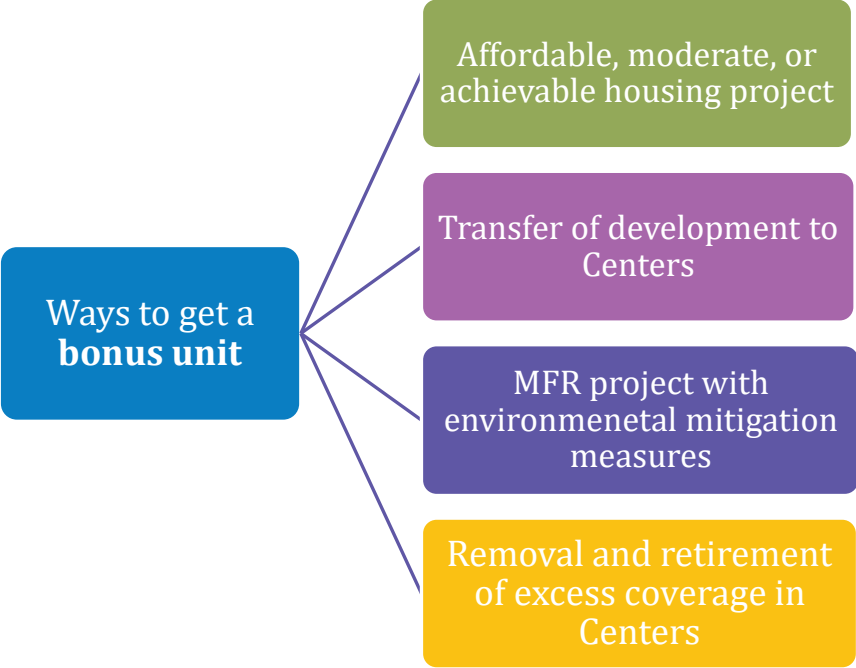
---

<sup>21</sup> The bonus unit boundary is the area within ½ mile of a designated Town Center; within ½ mile of an existing transit stop; or located in an area where multi-family dwellings are an allowed or special use. The bonus unit boundary can be viewed here: <https://gis.trpa.org/housing/>

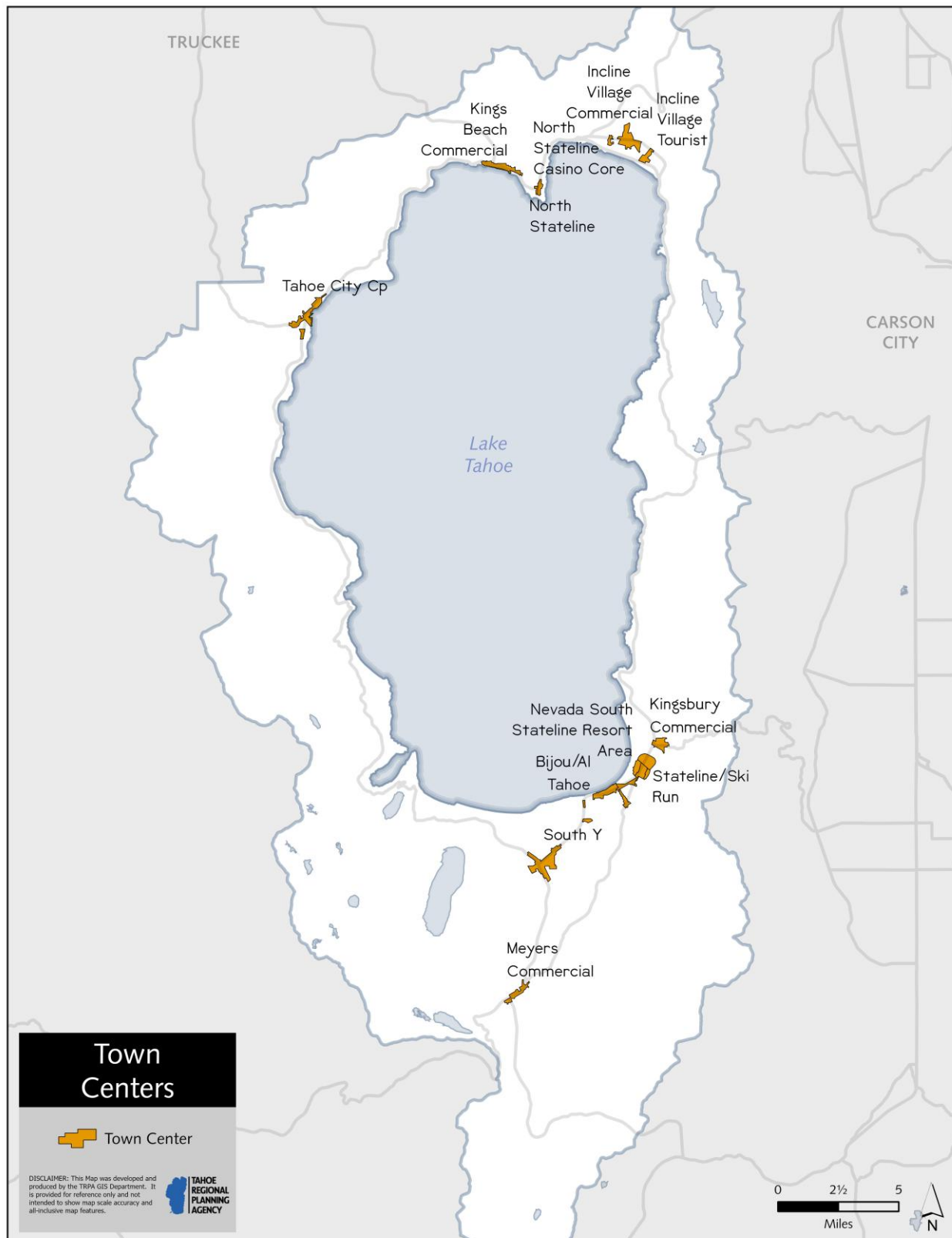


under the current Code of Ordinances. Onsite removal and retirement of excess land coverage in centers may earn multi-residential bonus units, tourist accommodation bonus units, and/or commercial floor area. For example, if a property owner removes 700 feet of existing excess land coverage from a parcel in an SEZ district (1b), they can receive one bonus unit.

**Figure 17: How to Qualify for a TRPA Bonus Unit**



**Figure 18: Town Centers**



Source: TRPA



## ISSUES

While a key goal of TRPA's bonus unit program is to incentivize the development of workforce, affordable, and environmentally beneficial housing, utilization of the program has been lower than forecast. In practice, only the first three pathways listed above are currently being utilized. These are the Affordable, Moderate, and Achievable housing development, and transferring development into town centers or out of stream environment zones. However, of the second two options, only five units have been transferred.

The eligibility criteria may be too narrow or too difficult to achieve. For example, projects must be within specific geographic boundaries, such as adopted Area Plans with designated multi-residential receiving areas or within a limited buffer from town centers or transit. **Many of the bonus unit pathways for market-rate housing projects, such as environmental mitigation measures, reducing coverage, and/or restoring sending parcels, are likely too costly or difficult to implement, and are therefore not being used.**

Moreover, the current bonus unit criteria may not reflect the market or physical realities of development. For example, the transfer ratios for moving development into town centers may not be high enough to justify the cost or effort, especially for smaller projects. In some cases, the cost of retiring excess coverage (e.g. removing 700 feet of coverage in an SEZ district) to earn a single bonus unit may exceed the financial value of the unit itself, making the incentive functionally impractical. This approach also runs counter to the practical needs of multi-family housing, which typically requires increased—not reduced—coverage to accommodate higher density development.

## RELEVANT EXISTING REGIONAL PLAN AND CODE REFERENCES

- **Regional Plan**
  - LU-3.6: TRPA shall reserve a portion of the available development allocations and residential bonus units to promote the transfer of development rights from sensitive lands to centers.
  - LU-3.7: TRPA shall maintain a portion of the available development allocations and residential bonus units to promote the transfer of development rights from outlying residential areas to centers.
  - DP-2.2: The maximum amount of residential allocations, commercial floor area, tourist bonus units and residential bonus units that may be released before December 31, 2032 is outlined in the table below
  - DP-2.3: The annual release rate for residential allocations and commercial floor area shall be identified in the code of ordinances and shall utilize a system that modifies the rate of release based on performance towards environmental improvements.
  - HS-1.1: 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.
  - HS-2.1: Special incentives, such as bonus development units, will be made available to promote housing for moderate-income households (household income up to 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.
- **Code of Ordinances**
  - **Chapter 50 - Allocation of Development:**
    - Section 50.5.1 Requirement of Residential Allocation: Defines additional bonus units and residential incentive allocation pool.
  - **Chapter 51 - Banking, Conversion and Transfer of Development**
    - **Section 51.5 - Transfer of Development.** Section 51.5.1.C.3, Transfer of Potential Units of Use and Section 51.5.3.C, Transfer of Existing Development to Centers; Bonus Unit Incentive describe the requirements and ratios of bonus units that can be received when



units are transferred out of sensitive lands into non-sensitive lands, and into Centers. Example table showing transfer ratios for existing development:

TABLE 51.5.3.C-1: TRANSFER OF EXISTING DEVELOPMENT TO CENTERS	
Step 1: Determine applicable transfer ratio based on sending parcel.	
Sending Parcel	Transfer Ratio
SEZ	1:3
Other Sensitive Lands	1:2
Non-Sensitive Lands	1:1
Step 2: For transfers of existing development, determine additional transfer ratio based on distance from centers and/or primary transit routes.	
Distance	Additional Transfer Ratio
Less than ¼ mile, or on the lake-ward side of primary transit routes	1:1
¼ mile to ½ mile	1:1.25
½ mile to 1 mile	1:1.5
1 mile to 1½ mile	1:1.75
Greater than 1½ mile	1:2
Step 3: Multiply the applicable ratios from Steps 1 and 2 to determine the applicable transfer ratio.	

- Chapter 52 – Bonus Unit Incentive Program:
  - All sections

## PRELIMINARY IDEAS IDENTIFIED TO ADDRESS THESE ISSUES

The following ideas were generated through the initial stages of the Cultivating Community process through consultation with the TLWG, community members, staff from TRPA and local jurisdictions, TRPA commissions and boards, and the project team. **Not all ideas will become recommendations for Regional Plan and Code of Ordinance amendments. Some ideas may need additional technical analysis or may be impractical for other reasons.**

**RBU-1 Streamline and clarify steps to RBU access.** Publish clear criteria, scoring systems, and eligibility pathways for jurisdictions and developers to follow to attain bonus units. Clarify in the code whether incentive programs draw from the same bonus unit pools or whether separate pools are set aside for separate incentive programs.

**RBU-2 Revise criteria to receive bonus units.** Conduct feasibility studies to better understand the market value of bonus units and the costs associated and revise the criteria and/or pathways accordingly.

**RBU-3 Expand RBU access.** Consider a larger, replenished bonus pool. Bonus units could also be made available for mixed-income projects, infill development, and projects that meet other environmental or community design goals.



## Banking, Conversion, and Transfers of Development

TRPA allows the banking, transfer, and conversion of development rights as part of its growth management system to control development in the Lake Tahoe Basin and protect the region's environmental health. Development rights include residential units of use (made up of a PRU and a residential allocations),<sup>22</sup> commercial floor area, and tourist accommodation units. Most redevelopment or new development in the Tahoe Basin that is not a single-family home relies on conversion of or use of existing development rights onsite, transfers of development or buying banked development potential (rights and/or land coverage).

Development rights and land coverage can be verified with TRPA and banked or "stored" for future use on-site or sold and transferred to another parcel. Once banked, the parcel is restricted from further development if it is in a sensitive area, which helps preserve open space and reduce environmental impacts. For example, an owner of an environmentally sensitive parcel can choose to "bank" or permanently "retire" its development potential. This means the development potential on that property is removed and can be retired or transferred to other properties that are less sensitive or located in areas suitable for development, like town centers. The TRPA Code of Ordinances provides incentives for transferring development to less-sensitive areas and restoring sensitive lands. Transfers are documented with a deed restriction that restricts future development on the sending parcel and requires a TRPA transfer permit. Local land banks, such as the California Tahoe Conservancy land bank, often acquire sensitive properties from willing buyers, retire or bank the development potential, and restore the sensitive parcel. The monetary value of development rights is set by the private market involved in the transaction, not by TRPA, and is variable depending on the relative values of the sending and receiving areas. These costs are described in the Development Costs and Fees section. Property owners may also bank, transfer and convert development rights when they remove old development from their site, regardless of whether the parcel is sensitive or not.

### *Transfer of Development to Centers*

TRPA provides an incentive to transfer development potential from a sensitive parcel far from centers to a non-sensitive parcel in a center. When transferring **potential residential units of use (PRUs)** from a sensitive parcel to a center, depending on the sensitivity of the sending parcel and its distance from a center, TRPA will award up to two bonus units for every one PRU transferred for a total of three units. TRPA provides even higher incentives to transfer **existing development** from sensitive parcels and parcels far from centers to non-sensitive parcels in a center – up to five bonus units for every one unit of existing development that is transferred to a center, for a total of six units. Table 6 shows the amount and location of development rights and land coverage transferred since the 2012 Regional Plan.

---

<sup>22</sup> PRUs and residential allocations are not considered development rights on their own.





**Table 5: Development Changes by Location from TRPA Approved Transfers, 2013-2024**

Development Right	Further than ¼ mile of Town Center	Within 1/4 mile of Town Center	Town Centers
Coverage (sq. ft.)	-155,683	5,123	150,560
Commercial Floor Area (CFA) (sq. ft.)	+26,565	-14,811	-11,754
Residential Units (SFRRU/MFRUU)	+32	-4	-28
Tourist Accommodation Units (TAU)	+209*	-57	-152

\* Edgewood Lodge redevelopment project transferred 154 tourist accommodation units—including 144 transferred from dated motels previously located in town centers. The South Stateline resort is located just outside the town center boundary.

Source: LakeTahoeInfo.org/Parcel Tracker, TRPA Accela Permit Records

**Table 6: Development Right Transfers by Land Capability from TRPA Approved Transfers, 2013-2024**

Development Right	Stream Environment Zones	Other Sensitive Areas	Non-Sensitive Areas
Coverage (sq. ft.)	(197,713)	24,502	173,211
Commercial Floor Area (CFA) (sq. ft.)	-	(10,492)	10,492
Residential Units (SFRRU/MFRUU)	(35)	(28)	63
Tourist Accommodation Units (TAU)	(145)	1	144

Source: LakeTahoeInfo.org/Parcel Tracker, TRPA Accela Permit Records

### Conversions

Conversions allow development rights to be exchanged from one use type to another — for example, converting commercial floor area into residential units. This mechanism is designed to align development potential with market demand and housing needs. Conversion ratios are shown in Table 7.



**Table 7: Conversion Exchange Rates**

TABLE 51.4.3-1: CONVERSION EXCHANGE RATES				
Existing Development Right	Equivalent Development Rights			
	CFA	TAU	SF ERUU	MF ERUU
300 sq ft. Commercial Floor Area (CFA)	300 sq. ft.	1	1	3/2
1 Tourist Accommodation Unit (TAU)	300 sq. ft.	1	1	3/2
1 Single Family Detached Existing Residential Unit of Use (SF ERUU)	300 sq. ft.	1	1	3/2
1 Multi-Family Attached Existing Residential Unit of Use (MF ERUU)	200 sq. ft.	2/3	2/3	1

As with banking and transfers, conversion is permitted only if development rights are legally verified with TRPA. A separate Conversion of Development Rights application is required. Conversion of development rights may be completed as part of a transfer. Since 2013, over 33,000 square feet of commercial floor area, and 128 tourist accommodation units have been converted into residential development rights for 237 residential units as shown in Table 8.

**Table 8: Development Right Conversions, 2013-2024**

Development Right	Commercial Floor Area (sq. ft.)	Tourist Accommodation Units	Residential Units
Net Change from Conversions	-33,955	-128	237

Source: LakeTahoeInfo.org/Parcel Tracker, TRPA Accela Permit Records



The total remaining development potential of each kind (with and without conversions to residential) is summarized in Table 9. TRPA allocations and bonus units cannot be converted without a policy change by the TRPA Governing Board, so they are not included in the conversion potential. Based on the existing conversion ratios, Table 9 shows the maximum amount of development that could result if all development rights were converted to multi-family homes.

**Table 9: Remaining Development Rights Inclusive of Conversion Potential**

Type	Development Potential in Local Jurisdiction CP/AP Pools <sup>1</sup>	Single-Family Conversion Potential	Multi-Family Conversion Potential
Commercial Floor Area	369,452 <sup>3</sup>	1,232	1,847
Tourist Accommodation Unit	130	130	195
Residential	2,127	2,127	2,127
Total Conversion Potential <sup>2</sup>		3,489	4,169

<sup>1</sup>The TRPA Allocation and Bonus Unit pools are not eligible for conversion.

<sup>2</sup>Conversion potential captures the additional amount of the development right if all other development rights were converted to it.

Source: LakeTahoeInfo.org/Parcel Tracker, Development Right Pool Balance Report

<sup>3</sup>169,452 square feet of CFA in local pools, plus 200,000 square feet of CFA that can only be used by local jurisdictions once other CFA is exhausted.

## ISSUES

### *Transfers of Development*

In recent years, the majority of residential transfers have occurred between parcels in the same areas/land capability districts or from parcels in centers to parcels farther from centers. Twenty-eight existing residential units of use (RUUs) and 46 PRUs have moved closer to centers (74 total), while 69 existing RUUs and 16 PRUs were transferred farther out (85 total). This suggests that the incentives to transfer development to Centers are not high enough to entice property owners to do so.

### *Conversions*

Conversion ratios were developed based on environmental impacts rather than market or financial analyses. This creates a disconnect as the marketplace for units/conversion only considers the financial aspect when buying and selling units.

Additionally, using the number of units as the unit of conversion for residential uses does not take into account the difference in size between single-family and multi-family residential units. While the market and Code of Ordinances already tilt development towards single-family homes in other ways, this approach further skews incentives towards converting commercial square footage or tourist units to single-family homes over multi-family homes. For example, in its conversion ratios table (Table 7, above), TRPA equates 1 single-family unit to 1.5 multi-family units. A typical single-family home in the basin might be over 2,000 square feet in size, whereas a typical multi-family unit could be 1,000 square feet – equating to a ratio of 1 SFR to 2 MFR units if using size as the conversion factor.



The ability to convert between different types of development rights is a relatively new TRPA policy. However, a clear trend has emerged from the conversions to date: a shift from commercial square feet and tourist units to residential development as shown in Table 8. While this is in line with the original intent of the program, approximately half of these conversions are resulting in single-family homes, including condominiums, rather than multi-family rentals.<sup>23</sup> In the long run, this could lead to a decrease in commercial uses and commercial square footage in Town centers as they are converted to residential development that trends toward second homes. While the conversion ratios are designed to allow these uses to balance out with the need, a re-examination of the conversion ratios as mentioned above, may be necessary to ensure that incentives are supporting desired outcomes.

Finally, TRPA has identified that tools to prevent displacement of existing defacto low- or moderate-income housing during redevelopment could be better codified to provide certainty for developers and clarity for the community. While Chapter 39 of the Code of Ordinances, Subdivisions, requires projects that demolish or convert existing defacto affordable or moderate-income housing into condominiums must replace this housing on a unit for unit basis, no such requirement exists when such housing is lost through other types of development, such as commercial or tourist development. Displacement of this kind is currently addressed on a project-level basis through the environmental analysis, rather than through the code on a more global basis. This may give less protection against the displacement of mobile-home units, as was identified during the “Listen and Explore” phase as a concern.

## RELEVANT EXISTING REGIONAL PLAN AND CODE REFERENCES

- **Regional Plan**
  - LU-3.3: Development is preferred in and directed toward centers, as identified on the regional land use map. Centers shall have the following characteristics...
  - LU-3.4: Existing development patterns in residential neighborhoods outside of centers and environmentally-sensitive lands should be maintained with no significant change.
  - LU-3.5: Development is discouraged in and directed away from environmentally-sensitive lands and areas furthest from non-residential support services. These areas are further defined in other plan policies.
  - LU-3.6: TRPA shall reserve a portion of the available development allocations and residential bonus units to promote the transfer of development rights from sensitive lands to centers.
  - LU-3.8: TRPA supports sensitive land and development right acquisition programs that prioritize the retirement of development and the restoration of sensitive land.
- **Code of Ordinances:**
  - **Chapter 51 - Banking, Conversion & Transfer of Development:**
    - Section 51.4.3 Conversion Standards: Defines the conversion exchange rates for commercial, tourist accommodation, and residential units of use.

TABLE 51.4.3-1: CONVERSION EXCHANGE RATES				
Existing Development Right	Equivalent Development Rights			
	CFA	TAU	SF ERUU	MF ERUU
300 sq ft. Commercial Floor Area (CFA)	300 sq. ft.	1	1	3/2
1 Tourist Accommodation Unit (TAU)	300 sq. ft.	1	1	3/2
1 Single Family Detached Existing Residential Unit of Use (SF ERUU)	300 sq. ft.	1	1	3/2
1 Multi-Family Attached Existing Residential Unit of Use (MF ERUU)	200 sq. ft.	2/3	2/3	1

<sup>23</sup> CFA Conversions to date have converted to 45 single-family units and 48 multifamily units.



- Section 51.5.1. Transfer of Potential Residential Unit of Use: Outlines which parcels are eligible for transfers of **PRUs**. Receiving parcels in Centers are eligible to receive PRUs and bonus units based on the land capability district of the sending parcel and the distance of the sending parcel from Centers, and from primary transit routes.
- Section 51.5.3. Transfers: Provides requirements of transfers of **existing development**. Receiving parcels in Centers are eligible to receive bonus units for transfers of existing development based on the land capability district of the sending parcel and the distance of the sending parcel from Centers, and from primary transit routes.

## PRELIMINARY IDEAS IDENTIFIED TO ADDRESS THESE ISSUES

The following ideas were generated through the initial stages of the Cultivating Community process through consultation with the TLWG, community members, staff from TRPA and local jurisdictions, TRPA commissions and boards, and the project team. **Not all ideas will become recommendations for Regional Plan and Code of Ordinance amendments. Some ideas may need additional technical analysis or may be impractical for other reasons.**

The following idea was **identified as a priority** for further consideration at the TLWG meeting held on December 9, 2024:

**BCT-1 Square feet versus units** Explore using square footage rather than units for residential conversions. Consider how this might impact the value of banked development potential. See recommendation #1 in the Development Rights Pool section.

The following preliminary ideas were also identified:

**BCT-2 Further incentivize transfer ratios to centers:** Reevaluate and increase transfer ratios / multipliers to effectively incentivize transfer of development to centers.

**BCT-3 Disincentivize transfers away from centers:** Introduce a disincentive to transferring development outside of/farther from centers.

**BCT-4 Allow TRPA pools to be converted to bonus units:** Allow underutilized pools of CFA and TAUs held by TRPA to be converted to bonus units.

**BCT-5 Conversion ratios:** Reevaluate the conversion ratios to consider the relative price and demand for residential units, tourist units, and commercial square feet. Consider factors, such as the typical average size of single-family versus multi-family units, number of bedrooms, residents, and resource use in the conversion ratios for residential uses. Unlike current ratios, new ratios may not be environmentally neutral and thus may require mitigations.

**BCT-6 Needed commercial and tourist space:** Consider applying mixed-use zoning to preserve a minimum amount of commercial and tourist uses in centers, which may help to support established local businesses and avoid their displacement.

**BCT-7 Develop code to address loss of affordable- and moderate-income housing during redevelopment:** Codify requirements for how redevelopment types such as commercial, tourist, or single-family should address the loss of affordable- or moderate-income housing.



# DEVELOPMENT STANDARDS AND ZONING

## Land Coverage

In the Lake Tahoe Basin, “land coverage” refers to human-made surfaces or disturbed ground that prevents water from soaking into the soil or prevents natural vegetation growth. This includes rooftops, driveways, parking areas, compacted dirt roads, and other impervious surfaces. Because land coverage increases runoff, erosion, and sediment pollution—major threats to Lake Tahoe’s water clarity—TRPA established regulations limiting how much of a property can be covered in lieu of regional or neighborhood stormwater management and/or project-specific implementation activities.

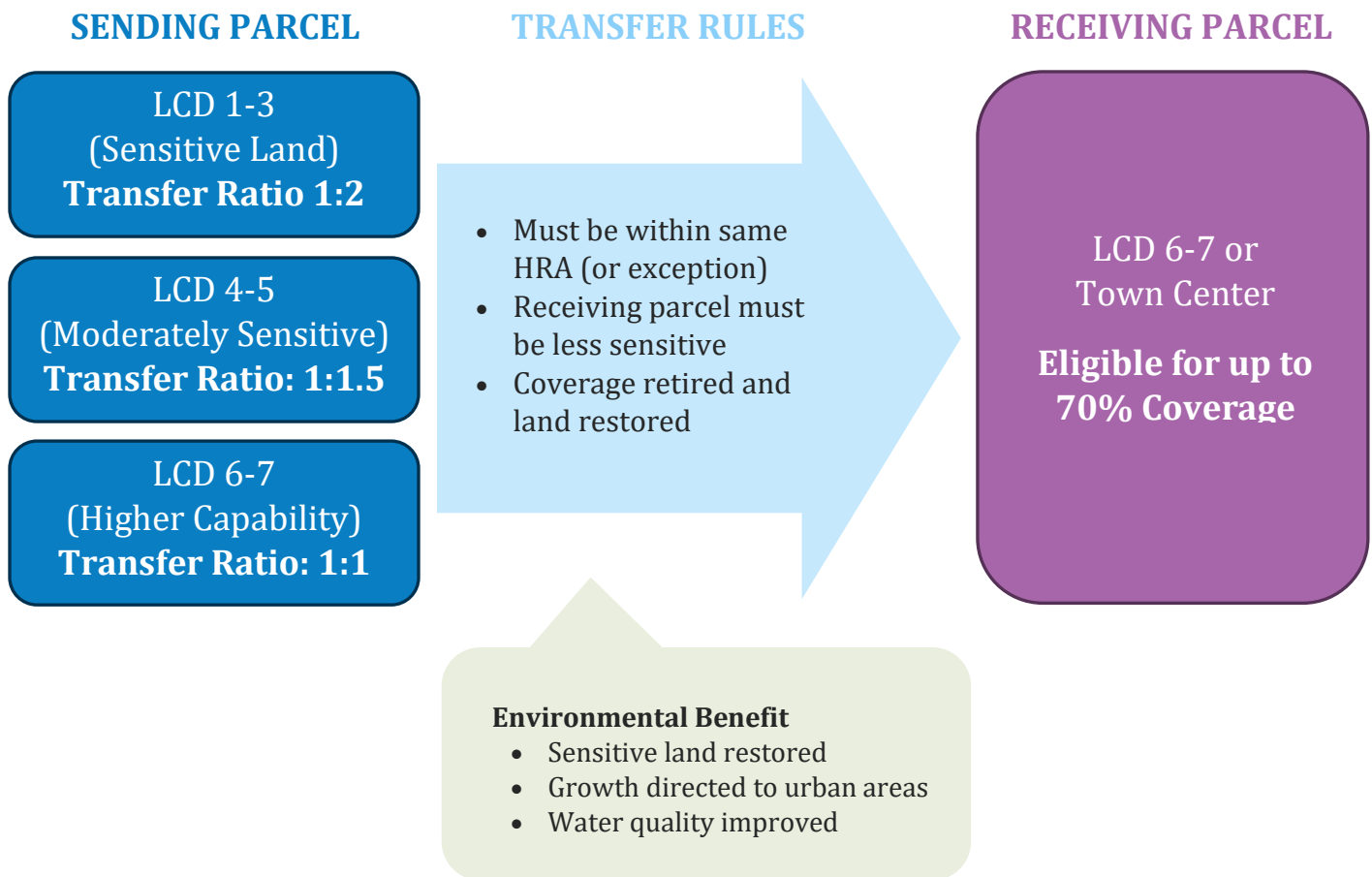
To determine the amount of coverage allowed on a property, TRPA uses a land classification system called the Bailey Land Capability System published in 1974, which ranks parcels from Class 1 to Class 7 based on environmental sensitivity. Land Capability Districts (LCDs) 1 through 3 are considered sensitive and are only allowed to have up to 1–5 percent of their area covered. LCDs 4 through 7 are less sensitive and allow for 20–30 percent coverage. For vacant single-family residential parcels, a separate scoring system called the Individual Parcel Evaluation System (IPES) is used, with scores above zero (above 726 for Placer County) generally indicating land that is eligible for development.

Each parcel is allowed a base level of land coverage—called “base allowable coverage”—based on its land class. In certain cases, additional coverage can be added through coverage transfer. This allows landowners to transfer coverage from one parcel to another. The “sending parcel” must be environmentally restored, and, when it is a sensitive parcel, will be restricted from future development (retired). Higher “maximum coverage” limits may allow up to 70 percent and higher in certain cases for deed-restricted Affordable, Moderate, or Achievable housing, or for parcels developed prior to 1987 that may have grandfathered coverage allowed that exceeds current limits. The higher allowances for deed-restricted housing are allowed for parcels located in designated town centers, where development is encouraged and stormwater management measures are in place to handle the additional runoff (e.g., stormwater management system that serves the south shore tourist core). These incentives are designed to preserve open space outside centers and focus growth within existing communities.

Before development occurs, TRPA requires a Land Capability and Land Coverage Verification (i.e. Site Assessment) to confirm a parcel’s classification and determine how much coverage it is entitled to. If a property exceeds its base allowable coverage—often the case with older, “legacy” developments—it must mitigate that excess by removing coverage, removing coverage off-site (on another parcel), or paying into an Excess Coverage Mitigation (ECM) fee program. The ECM fees fund environmental restoration projects.



**Figure 19: Land Coverage Transfer Rules with Ratios by Land Class**



Video: TRPA will be conducting a “Stormwater Management and Lake Tahoe Housing” webinar on Monday, June 2, at 2:00 pm. Many of the concepts in this briefing book will be reviewed during that webinar, which will also be recorded. Register here: <https://www.tahoeliving.org/event-details/stormwater-management-housing-at-lake-tahoe>.

## ISSUES

TRPA’s land coverage system is rooted in strong environmental goals, but it can also present barriers to housing and redevelopment in the Tahoe Basin and may not be the best system to achieve the basin’s water quality goals in urbanized centers. The current system was adopted in the 1970s to reduce erosion and prevent stormwater impacts on water quality, but it was not designed for more urbanized areas. Improvements in green stormwater infrastructure since Tahoe’s coverage system was adopted may be better suited to protect water quality in more urban centers and could have the added benefit of allowing more impervious surfaces on urban parcels, thus allowing more opportunity for affordable and workforce housing in urbanized areas.

The current coverage system can be difficult to navigate, especially for homeowners or new developers not familiar with the system. The land capability system has been in place for a long time, and its assumptions, incentives, and exceptions sometimes conflict with modern stormwater planning principles, infrastructure, and housing goals. The use of stormwater infrastructure in centers, however, could complement these goals while improving water quality.





## *Complexity*

The land coverage system can be difficult to navigate. For example, the rules for calculating base and maximum allowed coverage vary based on parcel size, location, slope, soil type, and land capability district, with multiple options that often require professional analysis adding to the cost of the project.

TRPA also offers numerous exemptions and exceptions to coverage limits, such as for ADA compliance, overhanging structures, public safety infrastructure, or certain recreation and public service projects. For some of these exemptions, the incentives may be too low, and/or requirements too burdensome to entice property owners to enact them. For example, TRPA only provides a partial exemption (25 percent) for pervious coverage, which may not be high enough to incentivize wide use. And when combined, the total coverage exemptions on a parcel may not exceed 10 percent of the non-sensitive land area on the parcel. Additionally, many of these exemptions apply only to parcels with verified Best Management Practice (BMP) certification, which adds more regulatory steps, cost, and uncertainty. Moreover, if there is excess land coverage in any land capability district for a parcel, even if the total aggregate coverage on the entire parcel is under the base allowable coverage, the property owner must mitigate any excess coverage to be eligible to use coverage exemptions. A stormwater system that is not reliant on coverage limitations could be better suited to incentivize desired development types and protect water quality.

## *Land Capability and Land Coverage Verification*

TRPA's **land capability verification (LCV) and land coverage verification process** for multi-family and non-residential zoned parcels can add another layer of complexity, cost, and time. Before proposing a project, property owners must submit to a field inspection by TRPA or a certified contractor to verify their parcel's land capability classification and land coverage. This is necessary because the official maps used by TRPA are based on 1970s-era maps that lack parcel-level accuracy. In other words, a property owner must incur upfront costs before they even know where and how much they can build on their property. For smaller projects, these upfront costs can be relatively significant. Land capability verification is another burden that falls disproportionately on multi-family zoned properties. While single-family projects still require coverage verification, these properties have IPES scores which lend more certainty to the question of land capability. While TRPA's land coverage limitations protect water quality at the parcel level, costly land capability and coverage verification processes favoring single family housing could be improved to better serve both environmental and housing needs. Also, in jurisdictions where environmental improvements have allowed the buildable IPES score to be lowered, property owners are allowed to build single-family homes on more sensitive parcels under the IPES system, whereas new multi-family development on a vacant sensitive lot is not allowed.

## *Land Capability and Coverage Limitations*

TRPA's land capability framework was developed decades ago, before the implementation of area-wide and neighborhood-scale stormwater infrastructure. Originally, the system assigned coverage limits based on soil type and slope to minimize runoff and erosion on a parcel-by-parcel basis. Today, some neighborhoods have engineered area-wide stormwater systems capable of treating runoff from multiple properties, but TRPA's parcel-by-parcel approach does not fully recognize or integrate this progress, and the coverage limits have not been revised accordingly in many of these areas.

Even when a property owner could otherwise build a home or ADU and stormwater is managed at the neighborhood-scale, they may be blocked because their parcel does not have enough allowable coverage for what they wish to build, or they are located on sensitive land where only 1-5 percent coverage is permitted. Coverage transfers offer a path forward for parcels with a higher "maximum coverage" allowed (e.g. in town centers), but they add complexity and cost for housing projects if this additional coverage must be purchased (additional coverage must be purchased unless existing coverage onsite is "grandfathered" in). While TRPA provides higher coverage allowances in town centers (up to 70 percent) and for deed-restricted housing (up to 70 percent in areas zoned for multi-family, and no limit on coverage in a town center when stormwater treatment systems are in place), these incentives may still be insufficient to make multi-family housing financially feasible, particularly non deed-restricted multi-family housing, especially when combined with other site limitations such as density, height, and minimum parking requirements, etc. These restrictions may merit further evaluation in contexts where area-

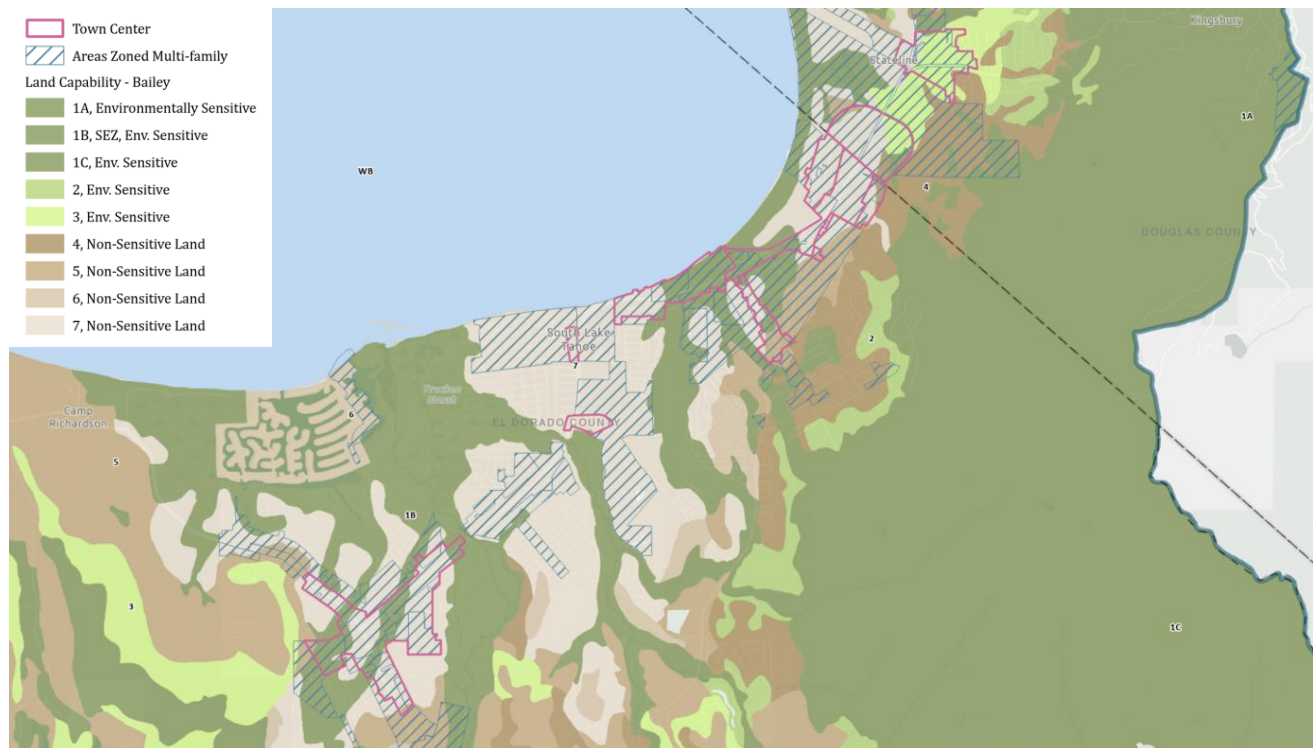


wide stormwater systems are already in place and could offset the environmental impacts typically associated with increased coverage.

### *Mismatch between Land Capability and Opportunity Sites*

Analysis shows imbalance in supply and demand for land coverage, limiting the successful implementation of Regional Plan policies. Some areas have surplus coverage or favorable land classifications, while others are highly constrained, creating inequities in development potential. There is often a mismatch between areas with development potential (higher land capability districts) and areas where multi-family housing is allowed and encouraged. For example, town center incentives allow higher maximum coverage (up to 70 percent, and higher for deed-restricted housing), but only within LCDs 4-7 (shown in brown in Figure 20). Significant portions of land in town centers are within sensitive districts (shown in greens in Figure 20) despite being developed already, limiting development potential in the very areas where TRPA is targeting and incentivizing new development and transfers of development. This mismatch stems from the fact that town center boundaries were drawn around existing commercial centers and include legacy development predating today's environmental standards. Often, stormwater infrastructure is a better tool than coverage limits to address water quality issues in these areas. It is also unclear whether these town center incentives are strong or flexible enough to drive meaningful redevelopment in these areas, including the environmentally beneficial redevelopment envisioned in the Regional Plan.

**Figure 20: Land Capability in Some Town Centers**





Source: TRPA

### Coverage Transfer Incentives

Landowners can transfer coverage from one parcel to another with the overall goal of moving coverage from sensitive areas to less-sensitive areas. However, **incentives may need to be recalibrated to better support the environmental goals of the coverage transfer program.** If transferring from a sensitive site to a less sensitive site, TRPA provides a 1:1 transfer ratio, up to the maximum allowed coverage. If transferring from a non-sensitive site to another non-sensitive site, for every square foot of coverage over 50 percent, a property owner must buy and transfer more than one square foot of coverage from non-sensitive parcels, per the transfer ratios provided in Table 10. This policy is intended to limit on-site coverage, but it can have the unintended consequence of disincentivizing the transfer of that coverage from sensitive sites. Additionally, other transfer regulations undermine this incentive of moving coverage from more sensitive parcels to less sensitive parcels and town centers. For example, TRPA allows property owners to keep nonconforming land coverage or sell and transfer it according to the ratios provided in Table 10. However, it is much more lucrative for a homeowner to keep their non-conforming coverage on-site and use it to expand their home than it is to transfer and sell it.



**Table 10: Coverage Transfer Ratios from Non-Sensitive Land**

TABLE 30.4.3-1: TRANSFER RATIOS	
Maximum Percent of Final Coverage	Transfer Ratio
>50 – 51	1.05:1
> 51 – 52	1.1:1
> 52 – 53	1.15:1
> 53 – 54	1.2:1
> 54 – 55	1.25:1
> 55 – 56	1.3:1
> 56 – 57	1.35:1
> 57 – 58	1.4:1
> 58 – 59	1.45:1
> 59 – 60	1.5:1
> 60 – 61	1.55:1
> 61 – 62	1.6:1
> 62 – 63	1.65:1
> 63 – 64	1.7:1
> 64 – 65	1.75:1
> 65 – 66	1.8:1
> 66 – 67	1.9:1
> 67 – 68	1.95:1
> 68 – 70	2:1

Source: TRPA Code of Ordinances

### Excess Coverage Mitigation Program Concerns

The Excess Coverage Mitigation (ECM) Program collects mitigation fees from projects on over-covered properties and distributes those funds to land banks for sensitive parcel restoration. ECM is required for all projects on previously developed land, which can increase project costs, delay approvals, and disincentivize environmentally beneficial infill redevelopment as envisioned in the Regional Plan. In many cases, area-wide stormwater infrastructure may be better suited to address water quality impacts from redevelopment projects on over-covered properties.

## RELEVANT EXISTING REGIONAL PLAN AND CODE REFERENCES

- **Regional Plan**
  - LU-2.9: Allowable land coverage in the Tahoe Region shall be set forth in accordance with the land capability district classification methodology and district-based land coverage limitations set forth in "The Land Capability Classification of the Lake Tahoe Basin, California-Nevada, A Guide for Planning, Bailey, 1974."
  - LU-2.10: Allowed base land coverage for all new projects and activities shall be calculated by applying the bailey coefficients, as shown below, to the applicable area within the parcel boundary, or as otherwise set forth in a, b, and c of this policy...



LAND CAPABILITY DISTRICT	MAXIMUM ALLOWED LAND COVERAGE
1a	1 percent
1b	1 percent
1c	1 percent
2	1 percent
3	5 percent
4	20 percent
5	25 percent
6	30 percent
7	30 percent

- 
- LU-2.11: The allowed coverage in policy LU-2.10 may be increased by transfer of land coverage within hydrologically related areas up to the limits as set forth in this policy: Special provisions for additional coverage, such as exceptionally long driveways, pervious coverage, public trails and access for the disabled, may also be allowed. Ordinances shall specifically limit and define these programs. Land coverage may be transferred through programs that are further described in the implementation element...
- LU-2.12: Rehabilitation, reconstruction, and upgrading of the existing inventory of structures, or other forms of coverage in the Tahoe region, are high priorities of the regional plan. To encourage rehabilitation and upgrading of structures...
- S-1.2: No new land coverage or other permanent disturbance shall be permitted in land capability districts 1-3 except for those uses as noted in a, b, and c below:
  - Single family
  - Outdoor recreation facilities
  - Public service facilities
- S-1.3: The land capability map may be reviewed and updated.
- S-1.5 Prioritize watersheds or other areas impaired by excess land coverage and incentivize the removal and transfer of coverage from appropriate locations within priority watersheds.
- SEZ-1.5: No new land coverage or other permanent land disturbance shall be permitted in stream environment zones except for those uses as noted...
- **Code of Ordinances**
  - **Chapter 6 – Tracking, Accounting, and Banking:**
    - Section 6.6 Land Coverage Information for Account Files: Includes land cover definitions, the process for recording coverage transfers, and outlines the Excess Land Coverage Mitigation Program.
    - Section 6.10 Land Bank: Establishes the authority to designate entities as restoration and land bank.
  - **Chapter 30 - Land Coverage:** Sets forth regulations for the permissible amount of land coverage in the region. It implements provisions of the Regional Plan goals and policies related to the land capability system, land capability districts, prohibition of additional land coverage in certain land capability districts, and transfer and mitigation of land coverage.
    - Section 30.3 Land Capability System: Outlines the Baileys land capability system and verification process.
    - Section 30.4.1 Base Allowable Land Coverage: Provides base allowable land coverage coefficients by land capability district:



TABLE 30.4.1-1: BASE ALLOWABLE LAND COVERAGE COEFFICIENTS	
Lands Located in Land Capability District*	Base Allowable Land Coverage
1a, 1b, 1c	1%
2	1%
3	5%
4	20%
5	25%
6, 7	30%

\* Lands located in Geomorphic Group I are classified Land Capability District 1 and are permitted one percent coverage.

- Section 30.4.2 Transferred Land Coverage Requirements: Allows additional coverage, over and above the base allowable up to a maximum percent allowed based on parcel size. Maximum coverage may be achieved by transferring coverage from another parcel. Explains additional coverage allowed in Town Centers and for deed-restricted housing. Only parcels with a high land capability may use this section.
  - Table 30.4.2-1: Maximum parcel coverage for residential development of 1-4 units:

TABLE 30.4.2-1: MAXIMUM PARCEL COVERAGE	
Project Area (Sq. Ft.)	Maximum Land Coverage
0 - 4,000	Base Land Coverage Only
4,001 - 9,000	1,800 sq. ft.
9,001 - 14,000	20% of Project Area
14,001 - 16,000	2,900 sq. ft.
16,001 - 20,000	3,000 sq. ft.
20,001 - 25,000	3,100 sq. ft.
25,001 - 30,000	3,200 sq. ft.
30,001 - 40,000	3,300 sq. ft.
40,001 - 50,000	3,400 sq. ft.
50,001 - 70,000	3,500 sq. ft.
70,001 - 90,000	3,600 sq. ft.
90,001 - 120,000	3,700 sq. ft.
120,001 - 150,000	3,800 sq. ft.
150,001 - 200,000	3,900 sq. ft.
200,001 - 400,000	4,000 sq. ft.

- Section 30.4.3 Method of Transferring Land Coverage: Provides land coverage transfer ratios.
  - Table 30.4.3-1 Transfer Ratios



TABLE 30.4.3-1: TRANSFER RATIOS	
Maximum Percent of Final Coverage	Transfer Ratio
>50 – 51	1.05:1
> 51 – 52	1.1:1
> 52 – 53	1.15:1
> 53 – 54	1.2:1
> 54 – 55	1.25:1
> 55 – 56	1.3:1
> 56 – 57	1.35:1
> 57 – 58	1.4:1
> 58 – 59	1.45:1
> 59 – 60	1.5:1
> 60 – 61	1.55:1
> 61 – 62	1.6:1
> 62 – 63	1.65:1
> 63 – 64	1.7:1
> 64 – 65	1.75:1
> 65 – 66	1.8:1
> 66 – 67	1.9:1
> 67 – 68	1.95:1
> 68 – 70	2:1

- Section 30.4.6 Exemptions and Partial Exemptions from Calculation of Land Coverage
- Section 30.6 Excess Land Coverage Mitigation Program
  - Table 30.6.3-1: Onsite removal and retirement of excess coverage in Centers may earn bonus units per the conversion ratios in the following table:

**TABLE 30.6.3-1: CONVERSION RATIOS FOR EXCHANGE OF COVERAGE FOR RESIDENTIAL BONUS UNITS, CFA, AND TAUS**

TRPA Code of Ordinances  
Adopted by Governing Board December 12, 2012 | Amended December 13, 2023 | Page 30-44

CHAPTER 30: LAND COVERAGE  
30.6 Excess Land Coverage Mitigation Program  
30.6.3 Onsite Removal and Retirement of Excess Coverage in Centers

Land Capability District 1b (SEZ)	Coverage Reduced (sq. ft.)	Bonus Units Earned <sup>1</sup>
1b (SEZ)	700	1
1a, 1c, 2, or 3	1400	1
4, 5, 6, or 7	2100	1

<sup>1</sup> One unit is equivalent to one residential bonus unit, one TAU, or 1,000 square feet of CFA. Rounding shall not be used to round up to whole numbers of bonus units.

- Chapter 51 - Banking, Conversion & Transfer of Development:





- Section 51.5. Transfer of Development: Provides requirements for transfers of existing development, potential development and land coverage, including bonus unit incentives for transferring to Town Centers and transferring from sensitive to non-sensitive parcels.
- **Chapter 53 - Individual Parcel Evaluation System:** Establishes the Individual Parcel Evaluation System (IPES) and its related procedures. IPES provides a methodology for the evaluation of vacant single-family residential parcels, assigning each such parcel a numerical score, and ranking such parcels within each local jurisdiction from most suitable to least suitable for development in accordance with this chapter.

## PRELIMINARY IDEAS IDENTIFIED TO ADDRESS THESE ISSUES

The following ideas were generated through the initial stages of the Cultivating Community process through consultation with the TLWG, community members, staff from TRPA and local jurisdictions, TRPA commissions and boards, and the project team. **Not all ideas will become recommendations for Regional Plan and Code of Ordinance amendments. Some ideas may need additional technical analysis, or may be impractical for other reasons.**

The following ideas were **identified as a priority** for further consideration at the TLWG meeting held on December 9, 2024:

### **LC-1 Recognize and integrate area-wide stormwater infrastructure:**

Install area-wide stormwater infrastructure, particularly within Town centers and move away from parcel-by parcel stormwater treatment. Explore district financing, such as enhanced infrastructure financing district, to fund area-wide stormwater infrastructure and capital improvements.

Allow higher coverage for parcels with area-wide stormwater treatment facilities.

Move to a performance-based system for new development rather than coverage limits to meet stormwater goals. This will likely require additional technical studies and evaluation.

**LC-2 Increase coverage allowance for multi-family zoned properties:** Explore increasing allowable coverage for all types of multi-family housing that meet environmental performance measures. For example, increase allowed coverage for multi-family housing outside of town centers, particularly in areas with existing district stormwater infrastructure. For instance, remaining Community Plans are allowed 50 percent coverage for multi-family development. Consider allowing this in Area Plans as well.

**LC-3 Enhance the Excess Coverage Mitigation Program:** Reevaluate ECM fees to better understand how they may be deterring redevelopment of parcels, and whether the fee schedule is leading to the right outcomes. Consider allowing purchase of excess coverage and eliminating ECM where stormwater infrastructure is in place.

The following preliminary ideas were also identified:

**LC-4 Streamline the verification process:** Streamline the land verification process, by providing field verification of priority areas in the Tahoe Basin (e.g. town centers, multi-family residential zones, certain neighborhoods, areas with stormwater infrastructure), rather than requiring field verification parcel by parcel. This will provide property owners with certainty and a baseline understanding of what they can build on their property and will reduce costs and time associated with development. Consider verification exemptions for certain types of projects that meet the project outcomes and Regional Plan housing goals, such as ADUs, duplex cottages, or similar small multi-family housing. Accept land verifications from licensed professionals.

**LC-5 Simplify coverage calculations and exemptions:** Provide a simplified online “coverage calculator” tool for applicants.



**LC-6 Expand transfer opportunities:** Allow more streamlined, flexible, region-wide land coverage transfers—especially for deed-restricted housing and public infrastructure. Re-evaluate nonconforming land transfer policies and land coverage transfer ratios to improve economic feasibility and better incentivize transfer of coverage from more sensitive to less sensitive parcels and Town centers.

**LC-7 Expand IPES Eligibility:** Allow multi-family housing to utilize the IPES coverage system.

**LC-8 Utilize NRCS Soil Maps:** Utilize more recent soil data collected by the Natural Resource Conservation Service to determine land capability in addition to or instead of the Bailey map.



## Subdivisions

In the Lake Tahoe Basin, TRPA does not allow new **land subdivision**—the division of a single parcel into multiple smaller lots for sale or independent development. This regulation is designed to prevent the creation of new, developable parcels that could lead to development potential beyond the growth caps in the TRPA development rights pool and takings liability for the Agency.

Instead, TRPA allows only **condominium subdivision** (also referred to as **condominium conversion**) under limited and regulated circumstances. Condominium subdivisions involve dividing ownership within an existing building or development, allowing multiple individuals or families to own units on a single parcel while sharing access to common areas such as driveways, open space, and infrastructure. **Significantly, these units must be attached by a shared wall, greatly limiting the ability to develop small, detached ownership units that are popular with the community and no more impactful on the environment or growth cap than attached units.** Subdivisions of **existing structures**, such as converting an apartment building into condominiums, are permitted under strict conditions. These include requirements related to parking, design standards, mobility mitigation fees, and compliance with water quality Best Management Practices (BMPs). If any of the units are considered defacto or actual **Affordable or Moderate housing**, developers must either replace them or deed-restrict the resulting units.

It is important to note that the prohibition on land subdivision is a central component of TRPA's growth management and land development system. The prohibition was reinforced by a 2012 agreement between the states of California and Nevada. That agreement states that no change will be made to the prohibition on land subdivision unless the states agree that water quality improvements are being made. Changes to condominium subdivision rules are not covered in this agreement and could support affordable and workforce housing without new impacts on water quality or the regional growth cap.

## ISSUES

TRPA's subdivision rules are rooted in environmental protection, but rules for condominium subdivision could be refined to better support affordable and workforce housing while upholding environmental protections. **The current condominium subdivision restrictions pose significant challenges for the development of small, ownership housing types. Missing middle housing types, such as townhomes and cottage courts, sometimes use what is often called fee-simple homeownership, where the buyer owns both the structure and the land beneath it, but not the entire parcel. This ownership type is not allowed under TRPA's subdivision rules, however, it is not inconsistent with the ban on land subdivision and could be allowed through changes to the Agency's rules for condominium subdivisions.** Adjustments to condominium subdivision rules that support missing middle housing types could open up opportunities to create affordable ownership housing to existing neighborhoods.

## RELEVANT EXISTING REGIONAL PLAN AND CODE REFERENCES

- **Regional Plan**
  - LU-2.2: No new divisions of land shall be permitted within the region which would create new development potential inconsistent with the goals and policies of this Plan.
- **Code of Ordinances**
  - **Chapter 39 – Subdivision:**
    - Section 39.2.3.N.2: "This section shall not be construed to permit the transfer of an existing structure to create a lot and block subdivision, planned unit development, or similar division of land."
    - Section 39.2.3 Limitations on New Subdivisions: Sets forth the requirements for subdividing existing structures (e.g., condo conversions).



- Section 39.2.5 Subdivision of Post-1987 Projects: Governs the subdivision of projects approved after July 1, 1987:
  - Allowed only in existing urban areas.
  - Permitted when projects received multi-residential bonus units or allocations, *if the resulting units are deed-restricted as Affordable, Moderate, or Achievable housing*.
  - TRPA must determine that subdivided projects still meet all standards for density, services, and parking.
  - Other restrictions in this section – see Code.

## PRELIMINARY IDEAS IDENTIFIED TO ADDRESS THESE ISSUES

The following ideas were generated through the initial stages of the Cultivating Community process through consultation with the TLWG, community members, staff from TRPA and local jurisdictions, TRPA commissions and boards, and the project team. **Not all ideas will become recommendations for Regional Plan and Code of Ordinance amendments. Some ideas may need additional technical analysis, may be outside of TRPA's authority or may be impractical for other reasons.**

**SD-1 Support local innovation in ownership models:** Partner with local jurisdictions to explore ownership structures that function like small-lot subdivisions (e.g., condo-style townhomes with exclusive-use yards, co-op ownership, pocket neighborhoods, etc.) but fit within the condominium framework. Adapt condominium subdivision rules to encourage these models, especially in town centers and other areas zoned for multi-family housing. Remove the requirement that condominiums share a wall to help facilitate these housing models. See additional recommendations in the Housing Models section.

**SD-2 Reduce restrictions for deed-restricted condominiums:** Consider targeted incentives and/or streamlined processes for condominium conversions (e.g. existing apartments to for-sale condos, splitting duplexes into individual ownership units), particularly if there is no increase in land coverage or environmental impacts. Subdivision incentives and streamlining could be restricted to deed-restricted housing only. Also consider amending 1:1 replacement requirement for condominium subdivisions to clarify that existing affordable units must be replaced with new deed-restricted units and consider applying this requirement for other land use conversions (e.g. residential to tourist).

## Development Standards

TRPA's development standards were designed to implement scenic and environmental goals. These standards govern the intensity, scale, and form of all new development and cover key elements such as **density, building height, parking, and scenic corridor impacts**. The Tahoe Living Phase 2 Affordable and Workforce Housing amendments used development standards to create incentives for deed-restricted housing. TRPA could consider further incentives for affordable and workforce housing while maintaining scenic and environmental protections.

### Density

Density standards regulate how many units can be built per acre, and effectively govern the number of units allowable on a parcel. TRPA sets default maximum densities, generally 15 units per acre for multi-family properties outside of town centers and 25 units per acre inside town centers. With TRPA's recent approved code amendments, 100 percent deed-restricted Affordable, Moderate, or Achievable housing is exempt from density limits in town centers.

TRPA has created two explanatory videos on density:

- [Density](#) (3 minutes)
- [Tahoe's Missing Middle Income Housing](#), Presentation by Opticos Design, January 2021 (1 hr, 11 minutes)



## Height

Standard height limits for buildings are defined in Chapter 37 of the Code of Ordinance and vary depending on whether the property is inside or outside of a center. The base maximum height for most buildings in the basin is 26 to 36 feet, depending on roof pitch, number of stories, and slope of the building site. Additional height may be granted under certain conditions but only after extensive findings are made. In town centers and other designated overlays, buildings are allowed a height of 56 feet and residential or mixed-use projects that are 100 percent deed-restricted are allowed up to 65 feet, with a required step-back for portions of the building above 56 feet, subject to specific findings and a shade analysis. TRPA may allow height bonuses (up to 4 feet) in exchange for reduced land coverage, but few projects are using this incentive, suggesting that it is not high enough.

## Parking

TRPA has modernized its parking standards to better support deed-restricted housing and transit-oriented development. For 100 percent deed-restricted Affordable, Moderate, or Achievable housing within centers, no minimum parking is required, provided the project demonstrates through a parking study that travel demand can be met by existing transportation and parking options. Outside centers, parking may not exceed 0.75 spaces per unit for these housing types. For non-deed-restricted development, local jurisdictions can implement alternative parking requirements in Area Plans, provided they align with TRPA transportation and mobility goals.

TRPA has a video that describes some of the impact parking has on housing cost on our “Community Academy” webpage. See:

[Tahoe’s Missing Middle Income Housing](#), Presentation by Opticos Design, January 2021 (at minute 26:36)

## General Design Standards and Scenic Corridor Restrictions

TRPA also has general design standards and guidelines that regulate site design, building design, landscaping, signage, and scenic quality. Area Plans may include additional building design and scenic guidance, including compatibility with the surrounding areas and design features such as articulated facades, pitched roofs, and use of earth tones.

TRPA’s scenic standards are primarily focused on preserving views from roadways and shoreline units, particularly along **threshold scenic travel corridors**. Development in scenic corridors must demonstrate that it does not **block prominent ridgelines or lake views** and may be required to incorporate visual screening, landscaping, and step-back design features. Scenic corridor standards may override otherwise-allowed height or density increases, especially in areas with outstanding visual resources.

## ISSUES

While TRPA’s development standards are designed to implement Tahoe’s scenic and environmental goals, there may be opportunities where TRPA’s standards could be amended to better support affordable and workforce housing while still achieving environmental and scenic goals.

TRPA’s density limits are an example of one standard that could better support housing without sacrificing environmental protection. Standard densities are capped at only 15 units per acre for multi-family residential. Even low-scale townhome developments are typically over this density, at about 20 units per acre. Higher densities are only allowed in town centers (25 units per acre) or for deed-restricted housing. Projects that are not 100 percent Affordable, Moderate or Achievable cannot access higher densities—even in areas where the Regional Plan encourages redevelopment. These density regulations reduce development potential and often render multi-family housing or redevelopment projects financially infeasible, especially when considered with the additional costs associated with the purchase of residential allocations (see the Development Pool section for more information). Additionally, density is effectively already regulated through growth caps, zoning, and building



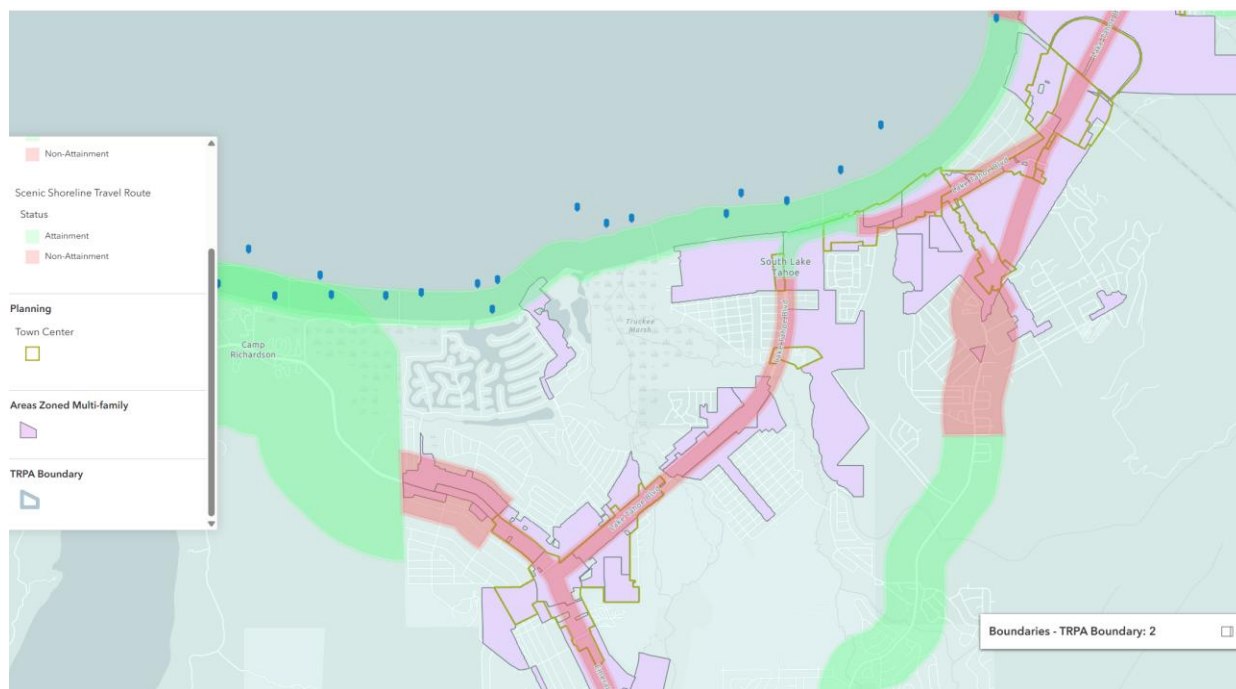
envelope standards (height, coverage, setbacks), meaning that **the environmental benefits of density are already achieved through other regulatory means**. Density standards in town centers effectively limit the ability to concentrate development in centers while preserving land outside centers, a central goal of the Regional Plan. That said, it is important to consider existing incentives for deed-restricted housing and ensure that any changes to development standards do not undermine those incentives.

A core challenge is **how density and height standards interact with land coverage limits**. TRPA limits the amount of impervious surface (i.e., land coverage) allowed on a site based on land capability and parcel size. To build more units per acre, these coverage limits often mean that projects must build vertically in order to achieve allowable densities and financial feasibility. Building upwards, however, triggers height restrictions. In most areas, the base maximum height is **26 feet**, which effectively limits buildings to two stories, even where multi-family housing is encouraged. In some cases, greater height may be consistent with neighborhood character and scenic quality, particularly in commercial areas.

**Scenic corridor standards** are designed to uphold scenic thresholds along travel corridors. Developments in scenic highway corridors must often demonstrate that they are “not visible” or “not visually dominant” from roadways, which may necessitate additional setbacks or height step-back designs that conflict with density or site layout needs.

Upholding scenic thresholds is critical to TRPA’s regulatory mandate. However, the rules designed to implement these thresholds can also conflict with Regional Plan goals of creating walkable, transit-oriented development, particularly where scenic corridors overlap with town centers. As shown in Figure 21, scenic corridor rules apply to a large portion of town centers and multi-family zoned areas. A multi-family or mixed-use building might have to limit height or add substantial screening even in a town center, conflicting with development viability and the pedestrian experience. Walkable urban and residential centers with high-quality development can improve scenic and environmental quality. In these areas of intersection, TRPA’s system should give greater consideration to the scenic value of high-quality, walkable development in centers.

**Figure 21: Scenic Corridors and Town Centers**



Source: TRPA





As noted above, parking standards have been partially reformed for Affordable, Moderate and Achievable housing with recent code amendments. Projects, however, must still **submit a parking demand study** to fully utilize the parking incentives and any deviation from local parking codes requires detailed justification through shared parking agreements, unbundled rent, or alternative transportation options, adding cost and administrative burden. Parking requirements for market-rate multi-family housing are still relatively high and can consume scarce land coverage. Reducing or eliminating parking minimums is currently considered a best practice for environmental and community design benefits consistent with the Regional Plan goal of creating walkable centers. In a 2020 study for TRPA, Opticos found that requiring two parking spaces per multifamily unit, rather than one increases monthly rent by an average of \$400 per month. This is not to mention the cost in potential housing units when valuable coverage is dedicated to parking rather than housing.

Lastly, many of TRPA’s development standards and exceptions—such as increased height, parking reductions, building design, and view standards— require **discretionary review** or complex application processes. This creates uncertainty for developers, increases permitting timelines and costs, and discourages innovation. Complexity may deter small-scale or non-profit developers. Ultimately, some standards can prevent higher-density and missing middle housing types from being built where it is most appropriate and can add administrative costs which have no direct environmental benefit. Despite policy goals that promote redevelopment and infill in town centers, the combination of land coverage restrictions, height limits, and scenic standards can sometimes make it difficult to redevelop in these areas otherwise targeted for redevelopment in the Regional Plan. Projects that aim to deliver compact, walkable, or transit-oriented development face tradeoffs between environmental mitigation, development feasibility, and the cost of complexity, however, it is possible to encourage this type of development without sacrificing environmental goals.

## RELEVANT EXISTING REGIONAL PLAN AND CODE REFERENCES

- **Regional Plan:**
  - LU-3.3: Development is preferred in and directed toward centers, as identified on the regional land use map.
  - LU-3.4: Existing development patterns in residential neighborhoods outside of centers and environmentally-sensitive lands should be maintained with no significant change.
  - LU-4.1: The Regional Plan land use map identifies groupings of generalized land uses and priority redevelopment areas in the region. Areas of similar use and character are mapped and categorized within one or more of the following eight land use classifications: wilderness, backcountry, conservation, recreation, resort recreation, residential, mixed-use, and tourist. These land use classifications shall dictate allowable land uses. Existing urbanized areas are identified as centers and include town centers, the regional center and the high density tourist district. Centers are the areas where sustainable redevelopment is encouraged.

- **Code of Ordinances:**
  - **Chapter 13 - Area Plans:**
    - Section 13.5.3 Development and Community Design Standards for Area Plans
      - 13.5.3.I.B: Provides increased height and density for 100 percent Affordable/Moderate/Achievable projects in Centers.
    - Section 13.6 Conformity Review Procedures for Area Plan
    - Table 13.7.3 -1: Thresholds for Governing Board Approval of Projects in Centers

TABLE 13.7.3 -1: THRESHOLDS FOR GOVERNING BOARD REVIEW OF PROJECTS IN CENTERS			
(All measurements are new building floor area.)			
	Regional Center	Town Center	Not in Center
Residential	≥ 100,000 sq. ft.	≥ 50,000 sq. ft.	≥ 25,000 sq. ft.
Non-residential	≥ 80,000 sq. ft.	≥ 40,000 sq. ft.	≥ 12, 500 sq. ft.

- **Chapter 31- Density:**





- Section 31.3.2 Table of Maximum Densities: Includes base densities for multi-family housing (15 units/acre).
- Section 31.4.1.A: Projects with 100 percent deed-restricted Affordable, Moderate, or Achievable housing are exempt from base density limits if they utilize bonus units.
- **Chapter 34 - Driveway and Parking Standards:**
  - Section 34.4.1 Parking for Deed Restricted Affordable, Moderate, and Achievable Housing: No parking minimums required for 100 percent deed-restricted Affordable/Moderate/Achievable housing in centers; outside centers, capped at 0.75 spaces per unit. In either case, in order to deviate from existing local parking minimums, the project applicant shall demonstrate that parking demand generated by the project, as determined by a parking analysis or information from similarly situated projects, will be accommodated.
- **Chapter 36 - Development Standards:**
  - Section 36.4 Scenic Quality Improvement Program: Additional design guidelines applicable to specific areas shall be set forth in a document called the Scenic Quality Improvement Programs.
  - Section 36.5 Site Design Standards: Provides site design standards for multi-family, tourist accommodation, and commercial projects, including active transportation, snow storage, and screening, setbacks, etc.
  - Section 36.6 Building Design Standards: Provides building design standards, including screening of mechanical equipment, colors and utility infrastructure.
- **Chapter 37 - Height:**
  - Section 37.4 Maximum Heights for Buildings: Regulates maximum height standards based on roof pitch and slope.
  - Section 37.5 Additional Height for Certain Buildings: Provides additional height allowances (up to 56' for affordable housing, public service buildings, etc.) with findings.
  - Section 37.7 Findings for Additional Building Height: Outlines the findings that must be met to be granted additional height.
- **Chapter 66 - Scenic Quality:**
  - Structures within scenic corridors must meet visibility thresholds.
  - Visual assessment required for any project visible from designated scenic roadways.

## PRELIMINARY IDEAS IDENTIFIED TO ADDRESS THESE ISSUES

The following ideas were generated through the initial stages of the Cultivating Community process through consultation with the TLWG, community members, staff from TRPA and local jurisdictions, TRPA commissions and boards, and the project team. **Not all ideas will become recommendations for Regional Plan and Code of Ordinance amendments. Some ideas may need additional technical analysis, are outside of TRPA's authority or may be impractical for other reasons.**

The following ideas were **identified as a priority** for further consideration at the TLWG meeting held on December 9, 2024:

- DS-1 Better align density, height, and land coverage:** Revise development standards to ensure that density and height bonuses can be used. Allow greater building height and increased land coverage administratively (with minimal and objective performance-based findings) for affordable and workforce housing, multi-family housing in Town centers, and areas with stormwater infrastructure.
- DS-2 Revise density standards:** Consider removing density limits and continue to regulate the building envelope through coverage, setbacks, height limits, and form-based code. If density is retained, consider increasing density limitations for market-rate and mixed-income multi-family housing, both inside and outside of town centers, while retaining higher incentives for deed-restricted housing.



**DS-3 Expand parking flexibility to market-rate housing:** Extend parking flexibility beyond town centers and reduce or eliminate minimum parking requirements for market-rate housing projects, especially in areas served by transit. Allow shared parking and parking districts funded by rate payers, monthly permits, and parking in-lieu fees to facilitate mixed-use development, particularly in town centers. Consider setting minimum parking ratios for some housing types, as specified would be considered in the settlement agreement with Mountain Area Preservation.

The following preliminary ideas were also identified:

**DS-4 Reform height standards:**

- Simplify height standards and reduce the number of findings necessary to reach allowed height maximums.
- Consider increasing height limits for market-rate multi-family housing. Set a consistent standard and process for measuring height for sloped sites.

**DS-5 Local development standards.** Allow local jurisdictions to establish their own development standards that comply with the Regional Plan and support housing. Work with local jurisdictions to apply state land use laws. See also Recommendation #52 under Planning Process.

**DS-6 Revise scenic corridor regulations for housing:** Revise scenic standards to allow higher-intensity, context-sensitive development that supports walkability and housing production in already urbanized corridors. Consider modifying scenic corridor regulations within designated town centers to more fully recognize the scenic quality of town center redevelopment.

**DS-7 Create clear and objective design standards for housing:** Provide clear and objective standards and findings for multi-family and mixed-use housing to improve predictability and reduce permitting delays while maintaining high-quality design outcomes. Remove discretionary findings and review procedures and allow certain exceptions or incentives administratively for deed-restricted and multi-family housing projects without discretionary approval.

**DS-8 Consider other options, such as better utilizing existing housing stock instead of changing development standards:** Leverage the authorities of local or other partners to develop integrated incentives that can shift occupancy of existing housing to local and working households.



## Expanded Housing Sites

The Regional Plan seeks to direct new development toward designated town centers, where higher-intensity, transit-oriented development can be concentrated to reduce sprawl and manage environmental impacts. As described in previous sections, TRPA provides incentives such as increased height (up to 56 or 65 feet for deed-restricted housing), higher density (up to 25 units per acre, waived for deed-restricted housing), and greater land coverage (up to 70 percent) for all projects in town centers, and no coverage maximum when stormwater treatment is in place for deed-restricted housing in town centers. Multi-family housing is primarily permitted in or adjacent to these centers, and areas where multi-family is an allowed or special use are considered to be inside the bonus unit boundary and are eligible for bonus units.

## ISSUES

There is often a disconnect between where multi-family housing is allowed and encouraged and where it is feasible. While town centers are intended to serve as the focus for new housing development, much of the land within or adjacent to centers is classified as sensitive. For example, in Bijou and Tahoe City Town Centers half of land is classified in Land Capability Districts (LCDs) 1–3—designated as environmentally sensitive and subject to strict land coverage limits of just 1–5 percent. Despite zoning that allows multi-family use, restrictions on land coverage, combined with scenic corridor restrictions, make it physically or financially infeasible to build. As a result, policy incentives like bonus units, increased density, and height allowances often cannot be used at all or used to their full extent.

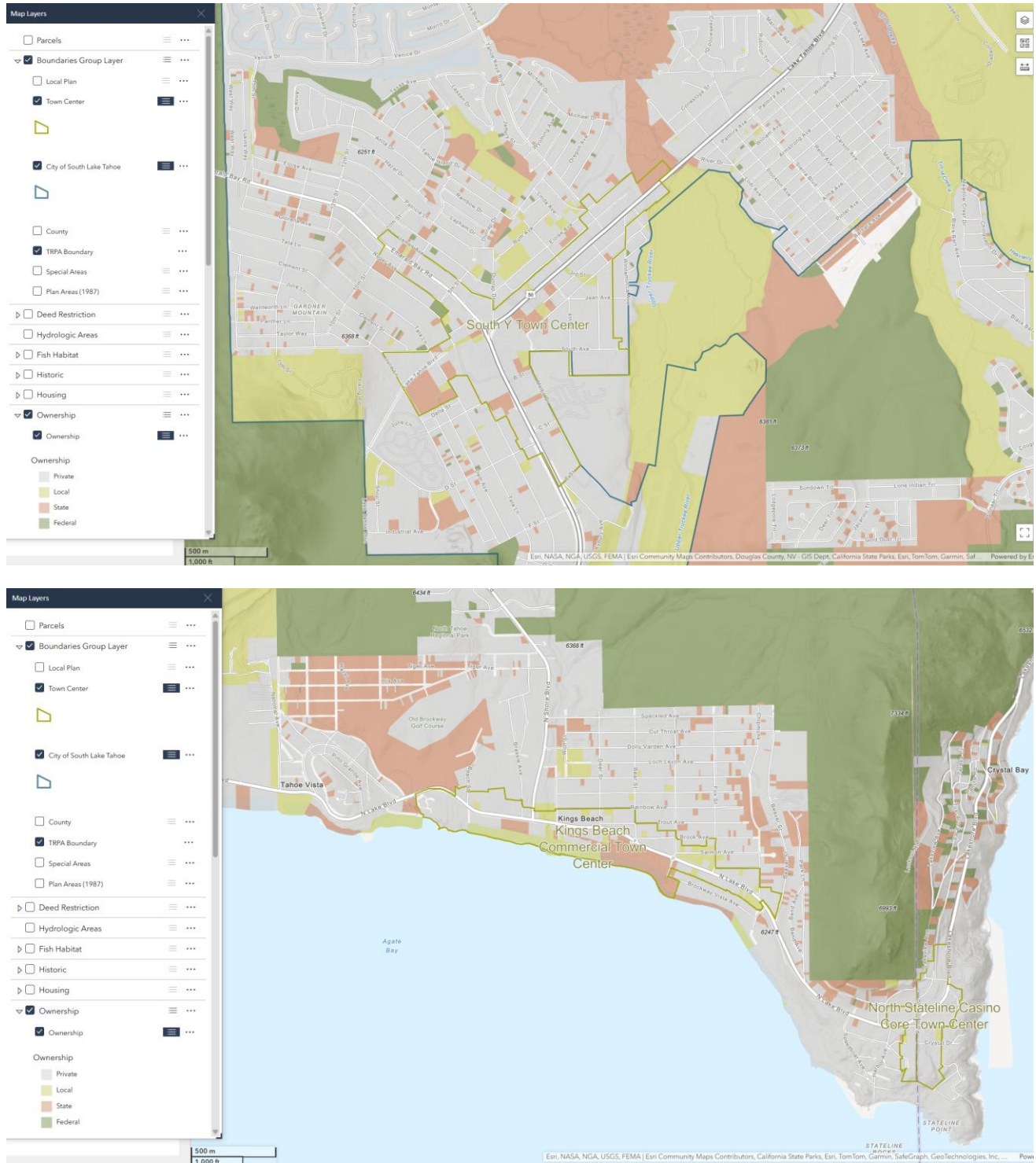
Moreover, some of the most promising multi-family or infill housing sites are located just outside of designated town centers or outside adopted Area Plans. Town centers were most often designed to reflect existing commercial areas, making the blocks adjacent to those centers, rather than the centers themselves, most suitable for housing. Numerous multi-family parcels just outside of town centers—often less sensitive, larger, or underutilized—are excluded from receiving many development incentives, even if they have higher land capability and strong redevelopment potential.

TRPA's current zoning and eligibility criteria could also do more to incentivize other viable housing sites, such as vacant or underused commercial properties, aging industrial zones, churches, or publicly-owned parcels. These sites are often underutilized and already served by infrastructure but are not prioritized or eligible for residential uses under current zoning. Figure 22 shows publicly-owned parcels in and around the South Y and Kings Beach Town Centers.

Allowing multi-family housing on these sites is consistent with recent legislation in California. For example, California's SB 4, the Affordable Housing on Faith Lands Act, which incentivizes affordable housing on church properties, already recognizes this potential and requires local jurisdictions in California to address it. Additionally, strict single-family zoning creates barriers to small-scale incremental infill development in single-family zones for middle housing types like duplexes, triplexes, or quadplexes, which could otherwise be compatible with neighborhood form and character.



**Figure 22: Publicly-Owned Parcels**



Source: TRPA



## RELEVANT EXISTING REGIONAL PLAN AND CODE REFERENCES

- **Regional Plan:**
  - LU-3.3: Development is preferred in and directed toward centers, as identified on the regional land use map. Centers shall have the following characteristics.
  - LU-3.4: Existing development patterns in residential neighborhoods outside of centers and environmentally-sensitive lands should be maintained with no significant change.
  - LU-3.5: Directs development away from sensitive lands and toward areas with non-residential support services.
  - LU-3.6: Encourages the transfer of development rights from sensitive lands into Centers.
  - LU-4.1: The Regional Plan land use map identifies groupings of generalized land uses and priority redevelopment areas in the region. Areas of similar use and character are mapped and categorized within one or more of the following eight land use classifications: wilderness, backcountry, conservation, recreation, resort recreation, residential, mixed-use, and tourist. These land use classifications shall dictate allowable land uses. Existing urbanized areas are identified as centers and include town centers, the regional center and the high density tourist district. Centers are the areas where sustainable redevelopment is encouraged.
- **Code of Ordinances:**
  - **Chapter 52: Bonus Unit Incentive Program**
    - Section 52.3 Residential Incentive Program: Restricts bonus units to projects located within a half mile of a designated Town Center or transit stop, or areas zoned for multi-family housing.

## Preliminary Ideas Identified to Address These Issues

The following ideas were generated through the initial stages of the Cultivating Community process through consultation with the TLWG, community members, staff from TRPA and local jurisdictions, TRPA commissions and boards, and the project team. **Not all ideas will become recommendations for Regional Plan and Code of Ordinance amendments. Some ideas may need additional technical analysis, are outside the authority of TRPA, or may be impractical for other reasons.**

The following idea was **identified as a priority** for further consideration at the TLWG meeting held on December 9, 2024:

**HS-1 Facilitate housing on public lands:** Work with local, State, and Federal agencies to identify surplus public lands for housing and provide residential zoning, site analysis, and/or expedited permitting.

The following preliminary ideas were also identified:

**HS-2 Revise or expand town center boundaries:** Use site-level suitability analysis to modify town center boundaries or create flexible overlays to allow and encourage multi-family housing where high-capability land and infrastructure already exist.

**HS-3 Create transition zones outside of town centers:** Establish “transitional” zones immediately adjacent to centers that allow multi-family housing and access to scaled incentives such as bonus units, increased height and density, and/or reduced parking.

**HS-4 Allow housing on commercial, industrial, and institutional properties:** Enable residential conversion of commercial strip malls, aging industrial parcels, church campuses, and other underused properties with proper design and compatibility standards through changes to the allowed use, overlay, or other zoning tools. Identify opportunity sites for redevelopment and provide site analysis and/or other incentives to spur conversion.



- HS-5 Expand bonus unit eligibility/boundary:** Allow bonus units for deed-restricted housing on parcels located beyond the half-mile transit buffer if they meet housing goals, walkability, infrastructure, or other site capability criteria.
- HS-6 Allow 2–4 unit buildings in single-family residential zones:** Permit duplexes, triplexes, and potentially fourplexes in single-family zones, subject to objective design standards where adequate infrastructure is in place. See development rights idea #4.
- HS-7 Update land use table to support new uses emerging through Area Plans and local jurisdiction housing elements.** Work with the local jurisdictions to ensure that TRPA's allowed uses support changing local needs where appropriate, including definitions for transitional and supportive housing.





## Accessory Dwelling Units

Accessory Dwelling Units (ADUs)—also known as in-law units, backyard cottages, or granny flats—are one of the most flexible, low-impact ways to add much-needed housing in the Lake Tahoe Basin. ADUs can provide homes for local workers, aging family members, or renters who need smaller, more affordable places to live. They also allow long-time homeowners to downsize or generate supplemental income.

TRPA permits ADUs—formerly referred to as secondary residences—as an accessory use to a primary permitted use. ADUs are allowed in residential, commercial, public service, recreational, and tourist accommodation zones, provided the primary use is permitted on the parcel. Each ADU is considered a full residential unit and is therefore subject to TRPA’s development rights and allocation system, despite the fact that an ADU is an accessory use. This means an RUU (PRU + allocation) must be obtained before an ADU can be built.

ADUs are not counted toward a property’s density limit but are subject to all other development rules, including land coverage limitations, which regulate how much of a parcel may be developed. Up to two ADUs may be permitted on parcels with a single-family or multi-family residential use, and one ADU may be allowed on parcels with commercial, public service, or recreation uses. ADUs may serve as guest houses or be rented at Affordable, Moderate, Achievable, or market rates. An ADU that meets TRPA’s definition and criteria for Affordable, Moderate, or Achievable housing qualifies for a residential bonus unit, which provides a full development right (equivalent to a residential unit of use (RUU)) from TRPA’s bonus unit pool, basically at no cost to the property owner.

As of April 30, 2025, TRPA has issued permits for 61 ADUs. Fifteen of these have been constructed, and 20 were under construction.<sup>24</sup> Permitted ADUs range in size from 150 square feet to over 1,000 square feet, with an average of 680 square feet. Visit the TRPA’s [ADU dashboard](#)<sup>25</sup> for more information.

## ISSUES

In the Tahoe Basin, ADUs face barriers that limit their potential. TRPA regulations treat ADUs like any other residential unit. This means building an ADU requires the same limited development rights that are needed to build a larger primary house – requiring both a PRU and allocation. Requiring a full residential development right for an ADU places ADUs in direct competition with primary housing units. In most cases, the cost of acquiring a development right would represent a more significant proportion of the cost to develop an ADU, putting ADUs at a relative disadvantage.

ADUs are also subject to land coverage limits, which restrict how much of a parcel can be developed. While important for environmental protection, this could prevent homeowners from building small ADUs on already-developed parcels that are at or over their allowed coverage, even if the impact would be minimal or when area wide stormwater infrastructure is already in place.

Recent code amendments were aimed at making it easier to build ADUs. For example, TRPA now allows increased land coverage (1,200 square feet or 70 percent of the project area, whichever is less, in land capability districts 4-7) for deed-restricted ADUs outside of town centers. This additional coverage, however, must often be purchased increasing the cost to build an ADU.

Recent legislation in California aimed to reduce barriers to the production of ADUs and junior ADUs. These include AB 976 and AB 1033 (occupancy and sale), AB 1332 (expedited approval), AB, 2533 (unpermitted ADUs), AB 345 (separate sale/ownership of ADU from primary unit), and SB 1211 (replacement parking and multi-family ADUs), among others. Likewise, ADU legislation in California allows for exemptions from lot coverage, reduced setbacks, and no or reduced parking, which make it easier to build ADUs. While TRPA is exempt from these types of State

---

<sup>24</sup> Source: [LakeTahoeInfo.org/Parcel Tracker, Development Right Pool Balance Report](https://www.laketahoeliving.org/ParcelTracker/DevelopmentRightPoolBalanceReport)

<sup>25</sup> <https://www.trpa.gov/housing>, Accessory Dwelling Unit section.





regulations, they illustrate a set of regulatory pathways to encourage ADUs and junior ADUs in the region that TRPA may consider applying in the basin.

## RELEVANT EXISTING REGIONAL PLAN AND CODE REFERENCES

- **Regional Plan**
  - HS-3.1: TRPA shall regularly review its policies and regulations to remove identified barriers preventing the construction of necessary affordable housing in the region. TRPA staff will work with local jurisdictions to address issues including, but not limited to, workforce and moderate-income housing, accessory dwelling units and long-term residency in motel units in accordance with the timeline outlined in the Implementation Element. Due to the challenges of building affordable and workforce housing in the Tahoe Basin, TRPA and/or the local jurisdictions shall set density, height, and parking standards to promote projects that include deed-restricted affordable, moderate, and achievable housing units through the following options...
- **Code of Ordinances**
  - **Chapter 21 - Permissible Uses:**
    - Section 21.3.2 Accessory Dwelling Units (formerly Secondary Residences): Outlines where ADUs are allowed and maximum number of ADUs per parcel.
      - ADUs require a residential allocation.
      - ADUs are exempt from density standards but shall comply with height, coverage, and other limitations.
  - **Chapter 30 - Land Coverage:**
- Chapter 30.4 Land Coverage Limitations: Provides land coverage rules for ADUs. ADUs must comply with land capability classifications and associated coverage limits.
- **Chapter 31 – Density**
  - Chapter 31.3.2 Table of Maximum Densities: Provides density rules for ADUs. In Nevada, ADUs are not permitted on parcels smaller than one acre in size.

## PRELIMINARY IDEAS IDENTIFIED TO ADDRESS THESE ISSUES

The following ideas were generated through the initial stages of the Cultivating Community process through consultation with the TLWG, community members, staff from TRPA and local jurisdictions, TRPA commissions and boards, and the project team. **Not all ideas will become recommendations for Regional Plan and Code of Ordinance amendments. Some ideas may need additional technical analysis, may be outside of TRPA's authority or may be impractical for other reasons.**

The following ideas were **identified as a priority** for further consideration at the TLWG meeting held on December 9, 2024:

**ADU-1 Square feet versus units:** Explore using square footage as the metric for residential development rights rather than number of units. This could help compensate for differences in unit size and impact between large single-family homes and smaller single-family such as ADUs and multi-family housing homes and realign incentives in favor of smaller homes. This is the same as DR-1.

**ADU-2 Reduce costs barriers for ADUs:** Reduce costs to build ADUs by allowing additional coverage for ADUs without having to buy/transfer land coverage (see recommendation above) and exempting ADUs from other TRPA fees, such as the excess land coverage mitigation fee and mobility mitigation fee where impacts can be mitigated in another way.



**ADU-3 Create pre-approved ADU plans.** Explore creating a set of pre-approved plans for ADUs and missing middle housing types to streamline approval processes and encourage local small-scale developers to initiate development projects that meet TRPA and community expectations.

The following preliminary ideas were also identified:

**ADU-4 Reduce development right barriers for ADUs:** Remove or reduce barriers for ADUs caused by the development right system, through one or more of the following options:

- **Exempt ADUs:** Create an exemption for a smaller ADU.
- **Allow ADUs without a development right:** Exempt ADUs from residential development rights entirely, either for all ADUs or specifically ADUs deed-restricted for Affordable, Moderate, or Achievable housing.
- **Automatic qualification for bonus units.** Offer automatic access to bonus units for ADUs that are naturally affordable or workforce housing and streamline the process to make it easier for homeowners to qualify.
- **Create a dedicated development rights pool for ADUs:** Create a dedicated development rights pool for ADUs, separate from the limited number reserved for primary homes. This would help jurisdictions respond to local demand.

**ADU-5 Reduce land coverage barriers for ADUs:** Reduce land coverage barriers for ADUs by exempting ADUs under a certain size threshold (e.g. 800 square feet) from maximum coverage limitations, assuming any environmental impacts can be mitigated.

**ADU-6 ADUs and junior ADUs per site.** Allow more ADUs per residential site.

**ADU-7 Sale and Ownership of ADUs:** Allow the separate sale and ownership of the primary dwelling unit and ADU(s) as condominiums in accordance with condo subdivision rules, to encourage homeownership opportunities for lower-income households.

**ADU-8 Educational materials:** Create a one-stop-shop for information for ADU educational materials. Develop reoccurring educational programming for small-scale developers, homeowner-developers, locals interested in building ADUs.



## Building Renovation and Rehabilitation

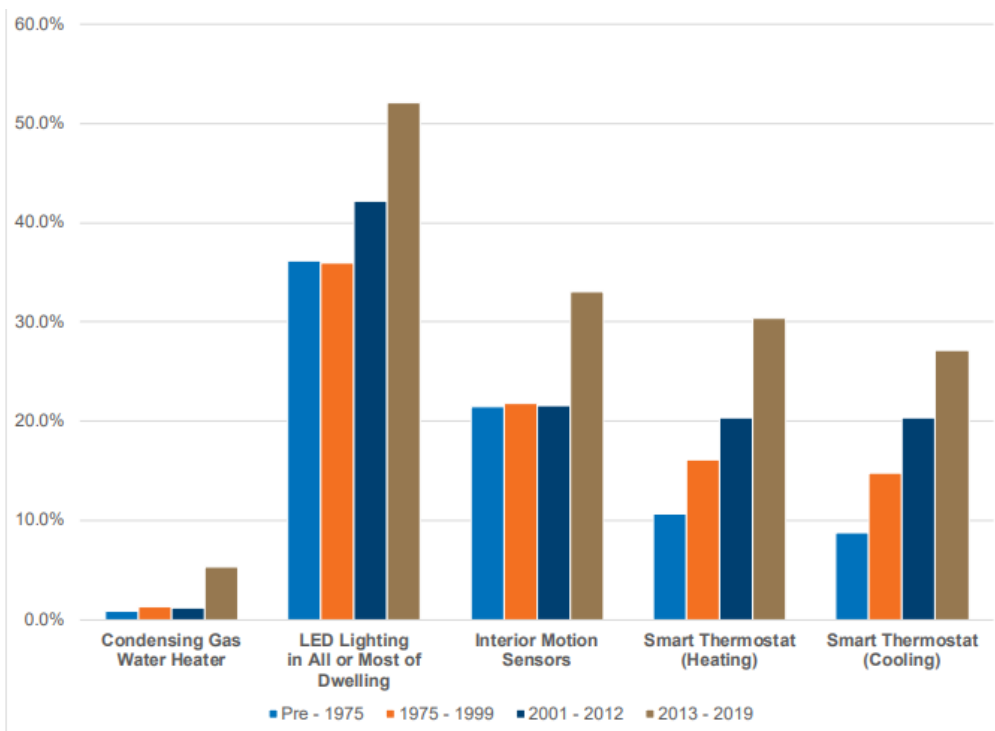
Approximately 80 percent of the existing housing stock in the Tahoe Basin was built prior to the Regional Plan and growth management system. These homes are often less energy and water efficient, use less fire resilient materials, and are in need of repairs or upgrades to meet modern building and environmental codes. Preserving and improving existing housing is a key concern for the community and essential to preventing further displacement, maintaining affordability, retaining year-round residents, and improving environmental quality.

### ISSUES

TRPA regulations and fees could be updated to support homeowners, landlords, and small-scale property owners seeking to upgrade older properties. Many older homes were built before TRPA's coverage rules were in place and now exceed allowed land coverage limits. Renovation or expansion of these homes typically requires mitigation of this "excess coverage," which may involve payment of an Excess Coverage Mitigation (ECM) fee or the retirement of coverage on other parcels. Additionally, nearly all renovation projects must install on-site stormwater Best Management Practices (BMPs), which can be costly on small or constrained lots and expensive for older or compact sites and may duplicate the function of existing area-wide stormwater systems in some locations. Some projects may also be subject to Vehicle Miles Traveled (VMT) analysis and payment of a Mobility Mitigation Fee. While these requirements support important environmental objectives, the cumulative cost and complexity can sometimes discourage reinvestment in older properties – limiting opportunities to improve environmental performance and provide safe, functional housing consistent with Regional Plan goals.

Older units are often less energy efficient than new construction. The California State Energy Code – Title 24 – is updated every three years to improve building energy efficiency to enable California to meet energy conservation, climate, and environmental goals. Title 24 initially went into effect in 1978. The Tahoe Basin has an aging housing stock, with approximately 80 percent of units in the Tahoe Basin constructed before 1980 as shown in Figure 4. These older units are less energy-efficient than newer builds, which is reflected in Figure 23. A greater proportion of new homes have energy-efficient measures installed.

**Figure 23: Energy Efficient Measures by Dwelling Age**



Source: Residential Appliance Saturation Study, California Energy Commission, 2020.



Likewise, when units are vacated for renovation, lower-income tenants may be displaced. Without local protections or incentives to retain affordability post-renovation, these homes may be re-rented at significantly higher rates or converted to vacation or short-term rental use. As a result, efforts to improve the existing housing stock can inadvertently contribute to gentrification and the loss of year-round housing for local workers and families.

## RELEVANT EXISTING REGIONAL PLAN AND CODE REFERENCES

- **Regional Plan**
  - LU-2.3: Buildings, whether conforming or nonconforming, which are damaged or destroyed by fire or other similar calamity, may be repaired or rebuilt with no requirement for reduction in coverage or height by way of fee or otherwise. This policy applies only if the building is reconstructed in substantial conformance with the original structure and, with no increase in floor area, land coverage, height, or volume. Other provisions generally applicable to rehabilitation or reconstruction of buildings shall apply. This policy is subject to the natural hazards sub-element. special provisions shall apply to buildings in the shorezone, lakeward of the highwater line.
  - LU-2.12: Rehabilitation, reconstruction, and upgrading of the existing inventory of structures, or other forms of coverage in the Tahoe region, are high priorities of the Regional Plan to encourage rehabilitation and upgrading of structures.
  - WQ -3.12 Projects shall be required to meet TRPA BMP requirements as a condition of approval for all projects.
- **Code of Ordinances**
  - **Chapter 30 – Land Coverage:**
    - Section 30.6 – Excess Coverage Mitigation
  - **Chapter 60 – Water Quality:** Provides BMP requirements.
- **Chapter 65 – Air Quality/Transportation:**
  - Section 65.2 – Mobility Mitigation Fee

## PRELIMINARY IDEAS IDENTIFIED TO ADDRESS THESE ISSUES

The following ideas were generated through the initial stages of the Cultivating Community process through consultation with the TLWG, community members, staff from TRPA and local jurisdictions, TRPA commissions and boards, and the project team. **Not all ideas will become recommendations for Regional Plan and Code of Ordinance amendments. Some ideas may need additional technical analysis or may be impractical for other reasons.**

**BRR-1 Waive or reduce fees for multi-family housing renovations and single-family conversions:** For projects that do not increase footprint or intensity of use, or that involve basic life-safety upgrades, consider reducing or eliminating fees, such as the ECM or mobility mitigation fee.

**BRR-2 Expand BMP cost assistance or delay requirements:** Provide financial assistance or reduce BMP requirements for low-income homeowners, small multi-family rehabilitation projects, or other modest rehabilitation projects where area wide stormwater infrastructure is in place.

The following ideas were generated through the initial stages of the Cultivating Community process, but **may be beyond the scope of this project or outside TRPA’s jurisdiction:**

**BRR- 3 Implement anti-displacement policies:** Partner with local jurisdictions to require or implement anti-displacement policies, such a right of first return for existing tenants, rent stabilization, etc.



**BRR-4 Create a “Healthy Homes” program:** Launch a program focused on code compliance, fire safety, insulation, electrification, lead abatement, and structural repair or upgrades in partnership with local contractors and nonprofits—prioritizing low- and moderate-income owner-occupied homes.



# PROCESS

## Planning Process

TRPA's planning framework for local land use and development in the Lake Tahoe Basin is implemented through three distinct but historically overlapping mechanisms: Plan Area Statements (PASs), Community Plans, and Area Plans. These tools regulate the location, scale, and design of development, and they govern everything from density and land use to signage and lighting.

Plan Area Statements (PAS) were established in the 1987 Regional Plan and are still in effect in some areas of the Tahoe Basin. Each PAS is the effective zoning for a specific geographic area and defines the permissible uses, density limits, special policies, and environmental considerations. They, however, contain rigid, parcel-based, single-use requirements and were not designed to accommodate mixed-use, transit-oriented, or infill development. PAS are no longer being updated and were superseded first by Community Plans and then by Area Plans.

Community Plans, introduced in the 1990s to provide a more detailed framework for areas with potential for more concentrated development. They offer some flexibility over PASs but still retain many of their features. They allow for local tailoring of development standards but have not been widely adopted or updated since their initial creation. Only three Community Plans remain in effect around the Tahoe Basin.

Area Plans were introduced in the 2012 Regional Plan as a more flexible and comprehensive tool intended to replace PAS and Community Plans. They are meant to align local zoning with TRPA's regional environmental goals, while providing incentives, such as increased allowable density, height, and coverage—especially within town centers or designated high-capability land. For example, conforming Area Plans can allow multi-family housing projects to exceed base density limits, receive height increases (subject to scenic corridor requirements), or access residential bonus units. They also allow for alternative parking standards and customized design guidelines that better reflect local context. When approved, Area Plans can also streamline permitting by delegating review authority from TRPA to local jurisdictions.

## ISSUES

Area Plans provide a flexible and modernized planning mechanism that integrates environmental goals with local community needs, but Area Plans have still not replaced PAS and Community Plans across the entire basin.

Many areas remain governed by PAS and Community Plans established decades ago, which were not designed to support current regional goals around environmental redevelopment, housing production, and community development. Typically, they have not been updated to reflect recent Regional Plan and Code of Ordinance amendments. These older tools offer less local control and flexibility and focus heavily on land use classifications and environmental constraints rather than integrated neighborhood planning. Community Plans also remain tied to outdated assumptions about land use and traffic patterns. As a result, PAS and Community Plans limit the ability to support compact, mixed-use, and infill development near transit or employment centers.

Area Plans provide a more flexible and comprehensive tool intended to replace PAS and Community Plans. Some jurisdictions have successfully adopted Area Plans and begun implementing them, while others still rely on outdated PAS. This inconsistency creates a patchwork of planning standards, where neighboring parcels might be subject to different density limits, design requirements, or permitting pathways. Moreover, the process to prepare and adopt an Area Plan is resource-intensive and requires significant time and coordination, creating a barrier for jurisdictions with limited staff capacity.



An additional consideration is that Area Plans must remain consistent with TRPA's Code of Ordinances, which can sometimes create overlap between local and regional standards. When TRPA updates relevant sections of its Code, corresponding updates may be needed within affected Area Plans, which can require additional coordination, time, and resources. This shared regulatory framework can occasionally cause confusion about which standards apply in a given context, particularly for the public or project applicants, and may present challenges in fully leveraging local opportunities for neighborhood planning and environmentally beneficial redevelopment.

## RELEVANT EXISTING REGIONAL PLAN AND CODE REFERENCES

- **Regional Plan:**
  - LU-4.6: In order to be responsive to the unique needs and opportunities of communities of the region, local, state, federal and tribal governments are encouraged to prepare conforming Area Plans that supersede existing Plan Area Statements and Community Plans or other TRPA regulations for areas within their jurisdiction. Area Plans shall be prepared in coordination with local residents, other stakeholders and TRPA staff, and shall be consistent with the regional goal and policy plan and applicable ordinances. After being found in conformance with the Regional Plan, Area Plans shall become a component of the Regional Plan.
  - See also LU 4-7 – 4.13 related to Area Plans.
- **Code of Ordinances**
  - **Chapter 11 – Plan Area Statements:** Describes the structure and regulatory content of PASs including use designations, density, and planning considerations.
  - **Chapter 12 – Community Plans:** Defines how Community Plans are prepared, their relationship to PASs, and how they may establish superior environmental standards.
  - **Chapter 13 – Area Plans:** Provides the framework for modern Area Plans, defines conformance requirements, and outlines TRPA's conformity review and permitting delegation process to local jurisdictions.

## PRELIMINARY IDEAS IDENTIFIED TO ADDRESS THESE ISSUES

The following ideas were generated through the initial stages of the Cultivating Community process through consultation with the TLWG, community members, staff from TRPA and local jurisdictions, TRPA commissions and boards, and the project team. **Not all ideas will become recommendations for Regional Plan and Code of Ordinance amendments. Some ideas may need additional technical analysis or may be impractical for other reasons.**

### **PP-1 Clarify what regulations are governed by the Code of Ordinance versus Area Plans:**

Reconsider which topics/types of standards should only be regulated by local jurisdictions and which should be regulated by uniform regional rules.

### **PP-2 Accelerate transition to Area Plans:** Incentivize or require jurisdictions to convert remaining PAS and Community Plans into Area Plans, particularly in high-opportunity or high-need housing areas.

### **PP-3 Simplify the Area Plan Update Process.** Create a simpler process for updating Area Plans whenever the Code of Ordinances is revised. Allow certain types of Area Plan updates to be approved on consent by TRPA.





## Development Process

### APPLICATION DEVELOPMENT PROCESS

The process to build housing in the Lake Tahoe Basin—whether single-family or multi-family—can be complex and highly regulated. Applicants must navigate a series of procedural steps that include:

- site evaluations (land capability verification and coverage, lakefront and shorezone determination, and floodplain),
- potential historic determination,
- traffic/VMT and environmental analysis,
- water quality mitigation,
- development right verification, and
- coordination with local jurisdictions

Projects located in sensitive areas or visible from scenic corridors require additional site design standards and potentially a scenic assessment. Land coverage and development rights—residential units of use (RUUs) or bonus units—must be obtained or transferred to the site, all prior to submitting an application. For most new housing developments, a TRPA permit is required, in addition to local building permits.

The TRPA Permitting and Procedure Manual outlines detailed application checklists for both single-family and multi-family housing, which include numerous submittal requirements, such as existing and proposed site plans, BMP calculations, project impact assessments (PIA) for vehicle miles traveled, elevation drawings, and in some cases, restoration or scenic mitigation plans. These rules are important to protecting environmental quality, but the process for implementing the rules could be revised to better support affordable and workforce housing without sacrificing environmental protections. Further, Tahoe Living Working Group members and members of the public have noted that application materials are not available in other languages.

### REVIEW PROCESS

Multi-family housing projects exceeding four units require review by a TRPA Hearings Officer and public notification. Single-family homes may be reviewed at the staff level unless located within a historic district or designated scenic area, or if they require height, coverage, or design exceptions.

Applications are submitted through the Accela online system and reviewed by TRPA staff or delegated jurisdictions, depending on location and project type. TRPA has permit delegation agreements with the City of South Lake Tahoe, El Dorado County, and Placer County. These agreements allow local planning and building departments to review and issue permits on behalf of TRPA. If a project is located in Washoe or Douglas County and the project requires a TRPA declaration or permit, an applicant would need to apply to **both** TRPA and the applicable local jurisdiction's building department. Certain types of projects are not eligible for review and approval by local jurisdictions under these agreements. These include lakefront and shorezone projects and those that require Governing Board approval, such as projects that require an Environmental Impact Statement (EIS), historic resource designation, or special project allocations, and projects that create additional square footage exceeding the following thresholds, as shown in Table 12.

**Table 11: Thresholds for Governing Board Review of Projects in Centers**

	Regional Center	Town Center	Not in a Center
Residential	≥ 100,000 sf	≥ 50,000 sf	≥ 25,000 sf
Non-residential	≥ 80,000 sf	≥ 40,000 sf	≥ 12,500 sf

Source: TRPA Code of Ordinances



Once TRPA reviews and approves a permit, the project will then initiate the process of obtaining a building permit from the local jurisdiction.

## ISSUES

The development process could be adapted to better support affordable and workforce housing without sacrificing environmental protections.

The high number of required plans and documents increases the upfront cost and timeline to arrive at the application phase, with no guarantee of approval. Applicants must submit detailed engineering and design drawings, BMP plans, and in many cases, scenic analysis documentation and mitigation plans that represent a significant cost to small and affordable projects.

Finally, many projects are required to go through a discretionary review and approval process, which adds further time, costs, and uncertainty. While the permitting process is designed to uphold important environmental goals, certain elements of the process could be improved to lend greater certainty, reduce time and cost for those seeking to develop affordable and workforce housing, and support environmental goals.

### *Development Process for Single-Family versus Multi-Family Housing*

The permitting process places additional requirements on multifamily housing relative to single family housing. Where there is not a clear environmental purpose, TRPA should remove barriers to multifamily housing relative to single-family housing.

For **single-family dwellings**, applicants typically submit a single application that is reviewed at the **staff level**, provided the project does not include special circumstances (e.g., a historic structure, scenic corridor location). Most single-family parcels in the basin have IPES scores and do not need to go through the land verification process. Also, most single-family parcels already have a PRU tied to the land and only need to acquire one allocation to build. Projects that meet all code standards and avoid sensitive areas may proceed without public hearing(s) or environmental documentation.

In contrast, **multi-family housing projects** of any size trigger additional layers of planning, review, and documentation. These projects require coverage and land verification by TRPA and must also do an environmental analysis, sometimes beyond an Initial Environmental Checklist (IEC). Multiple development rights must be assembled via the private market or from TRPA/local jurisdictions. In practice, this means responding to more discretionary review standards, and facing higher scrutiny—even for projects that are located in town centers or are otherwise consistent with TRPA goals and policies. Moreover, projects with more than four units must be reviewed by a **TRPA Hearings Officer**, which adds time and cost for public noticing, scheduling, and response to comments. The added time, cost, and uncertainty disproportionately affect developers seeking to build workforce or affordable housing and can discourage investment in precisely the types of housing most needed in the basin.

## RELEVANT EXISTING REGIONAL PLAN AND CODE REFERENCES

- **Regional Plan:** N/A
- **Code of Ordinances**
  - Chapter 2 - Applicability of the Code of Ordinances
  - Chapter 3 – Environmental Documentation
  - Chapter 4 - Required Findings
- **TRPA Rules of Procedure**
- **TRPA Permitting Procedure Manual**



## PRELIMINARY IDEAS IDENTIFIED TO ADDRESS THESE ISSUES

The following ideas were generated through the initial stages of the Cultivating Community process through consultation with the TLWG, community members, staff from TRPA and local jurisdictions, TRPA commissions and boards, and the project team. **Not all ideas will become recommendations for Regional Plan and Code of Ordinance amendments. Some ideas may need additional technical analysis or may be impractical for other reasons.**

The following idea was **identified as a priority** for further consideration at the TLWG meeting held on December 9, 2024:

**DP-1 Streamline the application, review, and approval processes for certain multi-family housing:**

Simplify and reduce application steps for multi-family housing projects. Reduce application review periods and limit number of hearings (if required) for multi-family housing projects, particularly deed-restricted housing.

Allow ministerial approval for multifamily housing meeting certain criteria (e.g. deed-restricted housing).

Consider different streamlining approaches for small projects (less than 25 homes) versus larger multi-family homes (25 homes or greater).

Consider priority processing of multi-family housing projects and ADUs.

Adopt environmental review exemptions for infill multi-family housing if it meets zoning requirements.

Increase the thresholds for multifamily residential projects that must be reviewed by the Governing Board.

Allow most housing to be reviewed at the Staff or Hearings Officer level.

The following preliminary ideas were also identified:

**DP-2 Environmental pathways and exemptions:** Complete program-level environmental review for multi-family projects, so that some multi-family housing projects may be exempt from TRPA environmental review at the project level, similar to single-family projects. Establish specific, defined thresholds and/or disqualifiers for exemption (e.g., height, coverage, etc.)

**DP-3 Capital improvement policies:** Tie environmental mitigation directly to implementation of related projects in the environmental improvement program, similar to a capital improvement plan, lending greater certainty to applicant and Agency.

**DP-4 Simplify the site assessment process:** See recommendations LC-4 and LC-7 under Land Coverage.

**DP-5 Consolidate application checklists:** Consolidate application checklists and requirements to the extent feasible to eliminate redundant requirements and reduce administrative burden.

**DP-6 Translation.** Consider making some application materials available in other languages, particularly Spanish.

**DP-7 Reduce PIA/VMT analysis burden.** Reduce PIA/VMT analysis and mitigation fee burden for projects in town centers. This is the same as recommendation #70 under the Development Costs and Fees section.



# DEVELOPMENT COSTS AND FEES

## Development Costs and Fees

Part of the issue associated with housing production in the Tahoe Basin is related to development costs. Across California, the cost of multi-family housing increased 25 percent between 2010 and 2020.<sup>26</sup> Land costs, labor costs, borrowing costs, permitting times, and local fees all add up. The Tahoe Basin, in particular, has relatively high development costs.

## ISSUES

### *Construction, Materials, and Labor Costs*

Construction and labor costs have remained elevated. The COVID-19 pandemic caused a significant spike in construction and labor costs due to supply chain issues and the departure of many long-time local workers. Although material costs have slightly decreased as supply chain issues resolved, they have not returned to pre-pandemic levels.

The limited pool of specialized construction labor, with workers traveling from the Carson City, Reno, Minden, and Gardnerville areas, has driven up costs. Prices for subcontractors are being set by large lakefront projects, leading to higher costs for all types of construction.

Building construction costs of approximately \$450-600 per square foot of building area for Type-5 wood-frame<sup>27</sup> construction is a reasonable pro-forma assumption for the first quarter of 2025. Costs such as site preparation, parking, soft costs, fees, construction financing, returns on investment capital, and land acquisition are in addition to the per square foot construction costs. Methods that might enable higher density with a smaller coverage footprint, such as parking tucked under a platform on which to build multi-family housing would add to these average cost estimates. Total costs before land acquisition may approach \$800,000 per unit. While higher construction, materials, and labor costs are not unique to the Tahoe market, the Tahoe market's relative distance from major metro areas makes it more challenging to mitigate. One approach is to simplify development building design and unit sizes to reduce costs, use alternative materials or building assembly processes, and proactively train younger workers in the skilled construction trades. Reduced parking ratios, where appropriate given access to other modes of mobility, may also improve financial feasibility.

While increasing density can lower per-unit and per-square-foot building costs through economies of scale and shared land costs, other construction costs can increase. For example, shifting from simpler and less expensive Type 5 wood frame construction to a more complex Type 3 construction may raise the cost per unit, even with higher density, due to different structural systems (steel, concrete) and safety regulations (e.g. fire sprinkler systems, seismic requirements). Costs per unit may decrease if studios and one-bedroom units comprise a greater share of the units, but costs per bedroom may increase. Market demand for the types of housing offered may also vary by submarket.

Development costs do not apply to just housing. Infrastructure upgrades and capital improvements to serve the development and protect the environment also require materials and labor, affecting local taxes and mitigation fees to cover the portion of costs not funded by outside sources such as state grants.

---

<sup>26</sup> *Terner Center. The Hard Costs of Construction: Recent Trends in Labor and Materials Costs for Apartment Buildings in California.* Retrieved from <https://ternercenter.berkeley.edu/research-and-policy/hard-construction-costs-apartments-california/>

<sup>27</sup> *2018 South Shore Housing Needs Assessment, Tahoe Prosperity Center; 2022 Proforma Analysis Test Results, TRPA; 2023 Zoning & Affordability Analysis, TRPA; MT Copeland Technologies. A Guide to the 5 Types of Building Construction.* Retrieved from <https://mtcopeland.com/blog/a-guide-to-the-5-types-of-building-construction/>



Likewise, tariffs on building materials, such as softwood lumber, further raise housing construction costs, constrain supply, and dampen activity in the U.S. housing market.<sup>28</sup>

### Interest Rates

Interest rates also play a crucial role in housing costs. Rising mortgage rates increase the cost of borrowing for prospective homebuyers and investors, creating a barrier to homeownership, limiting availability of housing for renters, and contributing to a decline in residential real estate sales. Mortgage interest rates were below 4 percent in 2015 and are approaching 7.0 percent in April, 2025. This increase in mortgage rates has reduced the purchasing power of homebuyers, leading to fewer homes being built as developers do not want to risk not selling newly constructed properties.<sup>29</sup> The same increase in interest rates affects the cost of borrowing for investors in rental housing, creating a similar problem for renters.

Interest rate risk is also a major concern. This uncertainty affects both the for-sale market and the construction loan market.

### Development Rights System

The TRPA development rights system affects the cost of multi-family housing construction in the Lake Tahoe Basin. The cost of acquiring development rights can be substantial. For example, the cost of an RUU is over \$28,000 as shown in Table 13. Aggregating these commodities for multifamily projects is challenging and often requires purchasing them from multiple existing owners, which can drive up project and transaction costs. To the extent that these values are averages, they may overstate or understate the marginal value of a development right in different submarkets.

**Table 12: Development Right System Value Conclusions, as of January 31, 2024**

Development Resource	Acronym	Market Value Per Unit Based on Typical Retail Quantity
Land Coverage 1B	N/A	\$30 SF
Potential High Capability Land Coverage South Stateline Hydrological Area	N/A	\$7.50 SF
Potential High Capability Land Coverage Upper Truckee Hydrological Area	N/A	\$7.50 SF
Restored Hard High Capability Land Coverage South Stateline and Upper Truckee Hydrological Areas	N/A	\$25.00 SF
Commercial Floor Area	CFA	\$22.50 SF
Residential Unit of Use	RUU	\$28,750 each unit
Tourist Accommodation Unit	TAU	\$25,000 each unit
Potential Residential Unit of Use	PRU	\$5,000 each unit

Source: City of South Lake Tahoe Intangible Development Rights Valuation Update Letter. Johnson Valuation Group, Ltd. 2024.

<sup>28</sup> Tariffs, Lumber, and Mortgage Rates dampening U.S housing affordability. 2025. Retrieved from: <https://sites.lsa.umich.edu/mje/2025/04/04/tariffs-lumber-and-mortgage-rates-dampening-u-s-housing-affordability/>

<sup>29</sup> The Cost to Build New Housing Keeps Rising: State Legislation Aiming to Reverse the Upwards Trend. Turner Center 2025. Retrieved from <https://turnercenter.berkeley.edu/research-and-policy/cost-to-build-housing-legislation-2022/>



## Mitigation Fees

Fees to mitigate the impacts to infrastructure and public facilities, subject to nexus findings, also contribute to development costs. Reducing or eliminating mitigation fees might reduce development costs, but, if the impact is accurately measured, another source of public funding will be needed to address the impacts. Alternatively, the standards, costs, and nexus rationale that support the fee estimate could be reduced with alternative planning, engineering, and design approaches.

Mitigation fees and inclusionary housing policies vary across jurisdictions. For example, Placer County has a commercial workforce accommodation fee requirement. There is potential for increased housing fees and inclusionary requirements for single-family units.

## RELEVANT EXISTING REGIONAL PLAN AND CODE REFERENCES

- **Regional Plan:**

- AQ-2.1: In addition to other policies and regulations intended to minimize air quality impacts of development, collect and expend mobility mitigation fees to offset air pollution in coordination with the Environmental Improvement Program (EIP). A portion of mitigation funds shall be expended in the local jurisdiction where the funds are generated, and a portion of the funds may be used on the most cost effective and environmentally beneficial projects in the region.
- WQ-3.4: In addition to other policies and regulations that are intended to minimize water quality impacts of development on-site, maintain mitigation fee programs to finance activities that mitigate the water quality impacts of development activities. The mitigation fee programs shall reflect direct and indirect water quality impacts and benefits resulting from different types of development and redevelopment activities, as well as geographic differences.
- DP-4.1: Water Quality Mitigation Fees - New and redeveloped residential, commercial, and public projects must offset their water quality impacts either by implementing erosion and runoff control projects or contributing to a water quality mitigation fund.
- DP-4.2: Air Quality Mitigation Fees - Ordinances will establish fees to offset air quality impacts from minor projects. These fees will be assessed on both commercial and residential development.
- DP-4.2: All projects shall offset the transportation and air quality impacts of their development.

- **Code of Ordinances**

- **Chapter 15 – Environmental Improvement Program Mitigation Fees**

- **Chapter 30 – Land Coverage:**

- Section 30.6 Excess Land Coverage Mitigation Program

- **Chapter 39 – Subdivision**

- Section 39.2.3.J: Subdivision of existing structures are subject to mobility mitigation fees.

- **Chapter 65 – Air Quality/Transportation:**

- Section 65.2 Air Quality, Greenhouse Gas Reduction, and Mobility Mitigation Program

- Chapter 65.2.4-1: Project Impact Analysis and Mitigation Fee Process

- Chapter 65.2.4-1.C.1: Regional and Cumulative Impact Fees - In order to offset regional and cumulative impacts, additional development, excepting deed-restricted Affordable, Moderate, and Achievable housing development within areas eligible for Residential Bonus Units, shall contribute to the Mobility Mitigation Fund, except as provided for in subparagraph 2.



## PRELIMINARY IDEAS IDENTIFIED TO ADDRESS THESE ISSUES

The following ideas were generated through the initial stages of the Cultivating Community process through consultation with the TLWG, community members, staff from TRPA and local jurisdictions, TRPA commissions and boards, and the project team. **Not all ideas will become recommendations for Regional Plan and Code of Ordinance amendments. Some ideas may need additional technical analysis, environmental mitigation or may be impractical for other reasons.**

The following idea was **identified as a priority** for further consideration at the TLWG meeting held on December 9, 2024:

**DC-1 Scale fees based on size or impact of an activity rather than unit.** Review the current fee system. Fees should create incentives for the types of redevelopment desired in areas where more Affordable, Moderate, and Achievable housing can be delivered more efficiently subject to nexus analysis, including public facility, infrastructure, and environmental standards.

The following preliminary ideas were also identified:

**DC-2 Reduce PIA/VMT analysis burden.** Reduce PIA/VMT analysis and mitigation fee burden for projects in Town centers that are location efficient and are serviceable with improved mobility options, internally within a town center and regionally with improved transit services. This is the same as recommendation #68 under the Development Process section.

**DC-3 Building permit fees.** Base the building permit cost to acquire a building permit on the home's valuation as if built. Establish a tiered threshold for fees. Use surplus funding for higher value projects to fund workforce housing.

**DC-4 Public facility design.** Look for opportunities to plan, design, and engineer public facility co-benefits using the same right-of-way or public land to reduce infrastructure footprints and improve capital, operations, and maintenance efficiencies, potentially resulting in lower mitigation fees.

The following ideas were generated through the initial stages of the Cultivating Community process, but **may be beyond the scope of this project or outside TRPA's jurisdiction**:

**DC-5 Mitigation fee refinement.**

Defer mitigation fees until post-construction, particularly for Affordable, Moderate, and Achievable housing, including mechanism to ensure fee is paid.

Refine mitigation fee assessments based on actual project impacts.

Support the development of regional stormwater systems to unlock development feasibility.

Encourage the use of pervious coverage and onsite capture systems to meet coverage requirements.

**DC-6 Loan program.** Provide no interest loans to rehabilitate local housing and environmental benefits on property (this would have to be an entity other than TRPA).

**DC-7 Other ideas include:** simplifying development building design and unit sizes to reduce costs, using alternative materials or building assembly processes, and proactively training younger workers in the skilled construction trades.



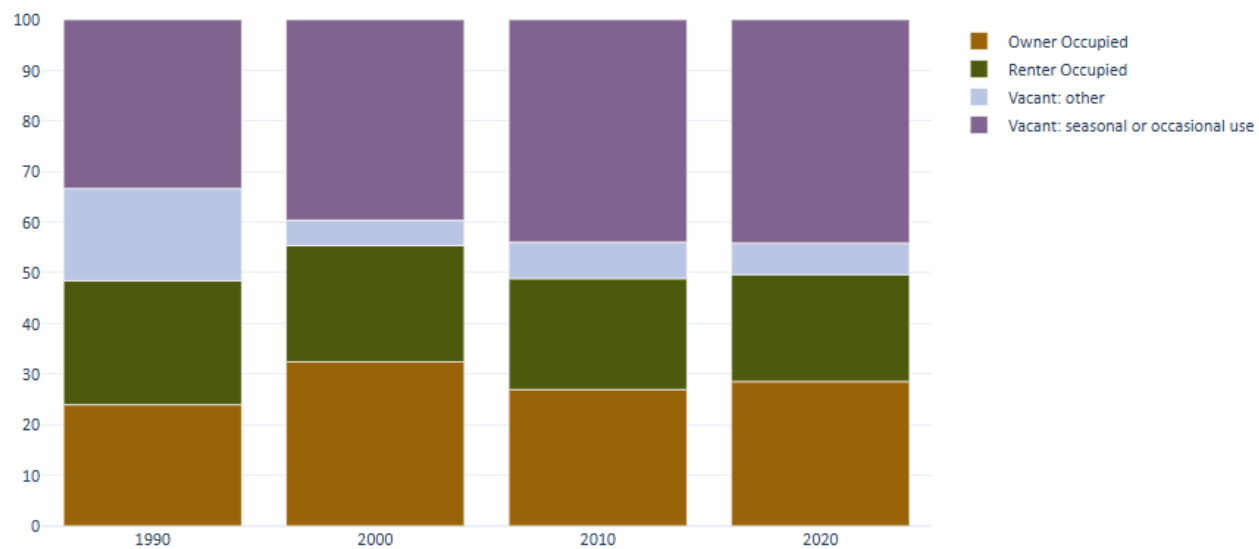


# ADDITIONAL HOUSING POLICY IDEAS

## Housing Occupancy

Another significant concern among policy makers in the Lake Tahoe Basin is the extent to which the existing housing inventory is being used for housing residents on a full-time basis, versus being used on a part-time or occasional basis as second homes and short-term rentals. The Lake Tahoe Basin has seen significant changes in the rate of housing units occupied by full-time residents. The number of homes used for seasonal use, including second homes and short-term rentals increased from 1990 to 2020 as shown in Figure 24. The share of seasonal homes represented 34 percent of the homes in the basin in 1990, compared to 44 percent of homes in the basin in 2020. Statewide, vacant and seasonal homes represent just eight percent of California homes and six percent of Nevada homes. The observed increase in vacancy represents a functional decrease in the amount of housing that is available for full-time occupancy.

**Figure 24: Housing Occupancy, 1990-2020**



Source: U.S. Census, 2000-2020 Decennial Census; TRPA, 2023. Retrieved from: <https://monitoring.laketahoeinfo.org/socioecon>

Additionally, the number of homes available for rent or for sale in the Tahoe Basin is extremely low. The share of the homes that are actively available for-sale was reported at 0.8 percent as of the 2020 Decennial Census, and 0.3 percent for the 2019-2023 ACS. The share of the housing stock that is available for rent was 1.8 percent both in 2020 and for the 2019-2023 ACS survey period. Housing economists typically consider a healthy vacancy rate in the for-sale market as being between 1.0 and 2.5 percent, and a vacancy rate of 5.0 percent indicative of a healthy rental market. The rental vacancy rate should be higher in a healthy market compared to the for-sale vacancy rate, as renters often move more often and a higher vacancy rate is needed to facilitate turnover. Adding to the challenge, local working households must compete with second-home seekers in the already tight market.

In resort areas like Lake Tahoe, deed restrictions are a tool to reserve a portion of the housing stock for households with lower incomes, households that will occupy the units full-time, and/or local working households. TRPA has been using deed-restrictions since 1996 either as a requirement to mitigate certain activities, such as condominium subdivision, or as an incentive to receive benefits such as fee waivers or zoning flexibility. Currently, there are approximately 500 units in the basin with a TRPA deed-restriction.



## ISSUES

In implementing TRPA's deed-restriction program and conducting monitoring activities on existing deed-restricted properties in the Tahoe Basin, TRPA staff has identified several areas for improvement, as well as areas for policy consideration.

As described in the "Key Terms" section, TRPA administers three different types of deed-restrictions: "Affordable," "Moderate" and "Achievable."

TRPA has created an explanatory video on "Affordable, Moderate, and Achievable" definitions:

[Affordable, Moderate, and Achievable" definitions](#) (4 minutes)

### *Sales and Rental Rates*

- With some exceptions, TRPA's "Affordable" and "Moderate" deed-restriction definitions have not traditionally included sales or rental formulas but instead focused on requiring the household occupying or purchasing the unit to meet certain income limits. With ownership units, this has led to some deed-restricted units being sold for high amounts to retirees who had low monthly incomes but presumably had relatively high assets that allowed them to purchase the home at a high value.
- Current definitions for "Affordable" and "Moderate" income housing in TRPA's Chapter 90 are inconsistent as to whether rental and sales rates are included in the definition - "Moderate" indicates they are included, "Affordable" indicates they are not.
- Most deed-restricted ownership units are part of a homeowners' association (HOA). HOA fees and increasing insurance costs are often out of the control of the homeowner. This can be a challenge for low-income owners and can deter resale of deed-restricted properties.
- The settlement agreement between TRPA and Mountain Area Preservation calls for consideration of adding an income cap to the "Achievable" deed-restriction, in addition to the local employment requirements.

### *Age of Property*

- TRPA's deed-restrictions are in perpetuity. Most other regions or deed-restriction programs have access to grants for rehabilitation of aging properties or have provisions for expiration of the deed-restrictions, or for the home to be able to increase in value over time to encourage investment in the property.

### *Occupancy*

- TRPA's deed-restrictions require that, if the unit is owner-occupied, that the owner annually verify that they continue to meet the deed-restriction requirements. TRPA's research indicates that most other areas only require owner eligibility verification at time of purchase.

### *Education and Verification of Eligibility*

Other areas with robust deed-restriction programs have:

- Strong focus on education
- Upfront verification of buyers, renters and refinancing, to prevent violations
- Simple compliance process

TRPA's deed-restrictions require renters that no longer qualify to move out of the home within a one-year grace period. While it is not uncommon for non-qualifying renters to have to move out, this may discourage upward mobility.

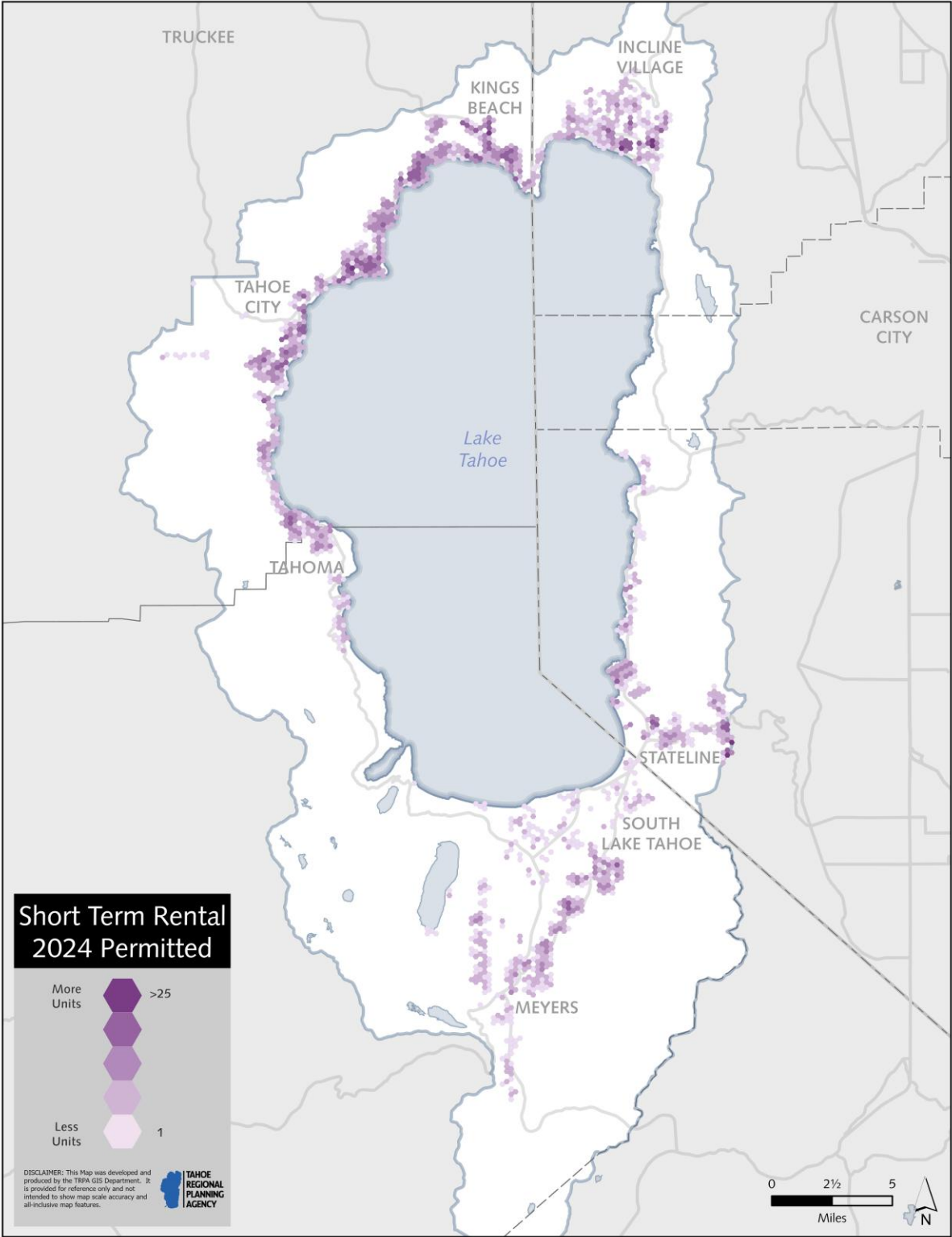


### *Funding Source for Monitoring and Compliance*

In researching costs to implement improvements to TRPA's programs, TRPA has estimated that an annual monitoring program could cost between \$150,000 to \$300,000 per year initially, increasing as the number of deed-restrictions increases. This is a preliminary estimate only and costs could be higher. With TRPA's current inventory of approximately 500 units that have a TRPA deed-restriction, that equates to approximately \$300-\$600 per unit in annual monitoring cost.



Figure 25: Permitted Short-Term Rentals



Source: AirDNA; TRPA, 2025.



## RELEVANT EXISTING REGIONAL PLAN AND CODE REFERENCES

- **Regional Plan:**
  - GOAL HS-1: Promote housing opportunities for full-time and seasonal residents as well as workers employed within the region.
  - HS-1.3: 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.
    - HS-2.2: Residential units developed using moderate income housing incentives shall be used to provide housing for full-time residents of the Tahoe Region, such units shall not be used for vacation rental purposes.
- **Code of Ordinances:**
  - **Chapter 52** – Bonus Unit Incentive Program
  - **Section 52.3.4:** Criteria for receiving bonus units for Affordable, Moderate, and Achievable housing
  - **Section 52.3.6:** TRPA-Certified Local Government Moderate-Income Housing Program.
    - TRPA may certify by resolution a local government moderate-income housing program upon a finding that the program adequately addresses:
      - Housing needs and issues of the jurisdiction...
      - Standards that guide the development of moderate-income housing...
  - **Chapter 90 - Definitions.**
    - **Affordable housing:** Residential housing, deed-restricted to be used exclusively as a residential dwelling by seasonal workers or permanent residents that are lower-income households (income not in excess of 80 percent of the respective county's median income) and very low-income households (not to exceed 50 percent of the respective county's median income). **Such housing units shall be made available to individuals whose median income does not exceed the recommended state and federal standards.** Each county's median income shall be determined according to the income limits published annually by the US Department of Housing and Urban Development and, if applicable, the California Department of Housing and Community Development.
    - **Moderate-Income Housing:** Residential housing, deed-restricted to be used exclusively as a residential dwelling by permanent residents with an income not in excess of 120 percent of the respective county's median income. **Such housing units shall be made available for rental or sale at a cost that does not exceed the recommended state and federal standards.** Each county's median income will be determined according to the income limits published annually by the US Department of Housing and Urban Development and, if applicable, the California Department of Housing and Community Development.
    - **Achievable Housing:** Single or multi-family residential development to be used exclusively as a residential dwelling by permanent residents who meet one or more of the following criteria:
      - Income not in excess of 120 percent of area median income; or
      - At least one household member works within the Tahoe-Truckee region...; or
      - Is a retired person who has lived in the Tahoe Basin for more than seven years.

## PRELIMINARY IDEAS IDENTIFIED TO ADDRESS THESE ISSUES

The following ideas were generated through the initial stages of the Cultivating Community process through consultation with the TLWG, community members, staff from TRPA and local jurisdictions, TRPA commissions and boards, and the project team. **Not all ideas will become recommendations for Regional Plan and Code of**



**Ordinance amendments.** Some ideas may need additional technical analysis or may be impractical for other reasons.

The following idea was **identified as a priority** for further consideration at the TLWG meeting held on December 9, 2024:

**HO-1 Disincentives:** Create disincentives for large homes and vacant second-homes/vacation homes.

The following preliminary ideas were also identified:

**HO-2 Support inclusionary zoning.** Work with local jurisdictions to establish an affordable housing unit requirement or fee for all development.

**HO-3 Refine deed restrictions:**

- Consider whether TRPA should regulate the price of deed-restricted, for sale “Affordable” and “Moderate” units, or just focus on occupancy requirements. If just focusing on occupancy, establishing asset caps for purchasers of deed-restricted “Affordable” and “Moderate” units could help reduce sales prices.
- Establish sales formulas that allow owners to recoup some investments in the property.
- Determine whether non-occupant investors can purchase ownership units and rent them out to qualifying households. In this case, there must be a robust process in place for verifying renters.
- Determine whether owner-occupants must continue to qualify or only at time of purchase.
- Consider setting a limit on the age of properties subject to deed restrictions in order to avoid disincentivizing property re-investment and upward mobility.

**HO-4 Local government management of deed restrictions:** Incentivize local governments to take over management of deed-restrictions, as they have more enforcement tools at their disposal.

**HO-5 Funding:** Establish a stable, on-going source of funding to support the deed-restriction compliance program.

The following ideas were generated through the initial stages of the Cultivating Community process, but **may be beyond the scope of this project or outside TRPA’s jurisdiction**:

**HO-6 Unlocking existing housing stock for locals or incentivizing the homeowners to provide housing stock to locals:**

- Create Truckee-style lease to locals programs.
  - Increase second-homeowner participation in seasonal rental programs.
  - Encourage second-homeowners to rent to locals through assistance and guarantees.

**HO-7 Limit and tax short-term rentals**

- Place cap on STRs and require a TAU.
- Increase tourist occupancy taxes and/or corporation tax to support housing programs.
- Only allow limited STR allowances to supplement income.



## Housing Models

In this section, several housing models are discussed, with the intent to provide ideas for increasing housing access and choices in the Tahoe Basin, including co-housing, co-living, land trusts, a regional housing authority, and housing financing.

### Co-Housing

Co-housing is a type of multifamily housing development with small private residential units (typically studio or one-bedroom units), and common areas that are shared by the residents, such as a community kitchen, laundry, sitting areas, open spaces, and guest accommodation in some cases. Co-housing is often designed as “an intentional, collaborative neighborhood designed to support an active and interdependent community life.”<sup>30</sup> Individual units in a co-housing project may be owned or rented, with the shared amenities being paid for and maintained as a collaborative. Rent increases are typically controlled, and any surplus capital can be re-invested in the project.

Generally co-housing is built as a market-rate product but could be structured as an affordable housing project as well. Ownership model co-housing developments could be in the form of a cooperative, as condominium units, and in some cases as fee-simple units with common areas as shared easements. Most co-housing projects that follow the co-operative model of ownership are structured as limited liability companies (LLCs), with both the syndicate and the respective residents as joint owners and the individual residents paying rent to the LLC that they co-own. Property management is often taken on by the residents as well (as the LLC).

Co-housing can be considered as a housing model for the Tahoe Basin to provide more achievable housing, to expand housing options for different household types, and for its environmental benefits. Since individual units are smaller, and amenities are consolidated and not typically provided to each individual unit, the cost of construction per unit is reduced and the savings can be passed down to the residents in the form of reduced rents or purchase prices. This makes co-housing an attractive housing option for many groups such as single-person households, entry-level buyers, downsizing families (“empty-nesters”), elders living alone, etc.

Co-housing results in efficient use of land, and a lower per-capita carbon footprint. Further, it can help build a sense of community and social connection. In most cases, co-housing can provide its residents more amenities and a better quality of life than they otherwise might have been able to afford if living alone.

Co-housing originated as a concept in Denmark in the 1960s, and has gained in popularity in many countries since. Co-housing projects have been built in the US since the 1980s and according to [www.cohousing.org](http://www.cohousing.org), there are over 300 co-housing developments across the US. Some nearby examples include:

- Nevada City Co-housing, Nevada City, CA – 34 units on 11 acres (6 acres open space) - <http://www.nccoho.org>
- Mariposa Grove Co-housing, Oakland, CA – 10 units on 2 acres (land owned by Northern California Land Trust)
- Marsh Commons Multi-generational Co-housing, Arcata CA – 20 units on 5 acres
- Wolf Creek Lodge Senior Co-housing, Grass Valley, CA – 40 units on 5 acres
- Doyle Street Co-housing, Emeryville, CA - 15 units on 2 acres

---

<sup>30</sup> Retrieved from [cohousing.org](http://www.cohousing.org)







Image caption: Nevada City co-housing ([www.nccoho.org](http://www.nccoho.org))

### Co-Living

Co-living is similar to co-housing. It is based on communal living, but typically, co-living means a living arrangement in which several unrelated people live in the same dwelling unit. The shared housing includes private rooms or spaces, and shared community spaces such as living areas and kitchens. With housing costs increasing across the country, co-living is gaining in popularity and is often facilitated by companies and operators that help match applicants to available units. Co-living typically operates as a rental product. The benefits of co-living are in the form of reduced housing costs, flexible lease agreements (such as month-by-month rental agreements) and a convenient living experience, particularly for single-person households.

Co-living units can help diversify the housing market. Co-living units are typically smaller than most multi-family options such as apartments, and are usually similar to a typical residential house in scale and form. These units can blend into established neighborhoods, while providing more housing options.

### Community Land Trusts

A Community Land Trust (CLT) is a model in which a non-profit entity owns and maintains a piece of property. While CLTs can be used for a variety of purposes such as community farming, commercial developments, etc., their most common application is for housing developments. CLT housing developments offer housing opportunities at a lower price point than the conventional housing market since the members lease or own the housing units but not the land. They also provide the benefits of long-term attainability, since the rent increases are controlled at a rate typically lower than the regular housing market.

CLTs are often used to create permanently affordable, community-controlled land and housing. A CLT acquires land, and retains ownership, while entering into a 99-year ground lease with the owner of the housing units. The ground lease requires that the buildings remain permanently affordable to the tenants. CLTs monitor and enforce the ground lease while also supporting its residents with services that ensure their financial stability and ability to thrive. The ground lease includes restrictions on rent increases as well as resale prices to regulate housing costs. Typically, resale conditions require that the next purchaser also belong to the same income category as the previous owner.

Often set up with public subsidies such as below-market land sales or grants, CLTs use a mixed governance structure in which residents and community members are represented on the board and provide oversight and direction to the organization. In this way, CLTs remain rooted in the communities they serve. There are 28 CLTs in 21 counties in California, providing over 1,500 housing units to over 3,500 residents.



The resale restrictions effectively recycle initial public subsidies across each successive leaseholder of a given home, extending the benefit of public resources in a way that the private sector rarely achieves. Through this process, CLTs' stewardship of public land and/or subsidy generates immense return on investment for public stakeholders.<sup>31</sup>

A local example of a CLT is the **Saint Joseph Community Land Trust (SJCLT)** that provides permanent affordable housing and related programs to low-and moderate-income families in the Tahoe Basin. Established in 2002, the SJCLT is a non-profit organization that provides housing in both ownership and rental models, in addition to related programs, such as education initiatives and land stewardship and emergency grants.

**Housing Authorities.** Housing authorities, while not strictly a housing model, are an effective means to help fund and finance low- and moderate-income housing projects across a region. Housing authorities are publicly funded and regulated organizations that help develop long-term housing strategies. A housing authority could also have their own development entity to build units, providing efficiency and oversight over the development process. In California, there are over 100 public housing agencies managing affordable housing programs.

Housing authorities function as an arm of the local government, providing housing assistance to eligible low-income families, elderly individuals, and people with disabilities. Governed by federal and state laws, these authorities help close the gap between market housing prices and what low-income families can afford. Housing authorities typically operate independently, in conjunction with state or municipal governments. Their responsibilities extend beyond managing public housing projects to include enacting federal assistance programs such as the Section 8 Housing Choice Voucher program.<sup>32</sup>

Housing authorities can provide a framework for developing different income limits for housing across specific regions, which is crucial for addressing local housing needs.

---

<sup>31</sup> *Othring and Belonging Institute at the University of California at Berkeley*

<sup>32</sup> *Authorized under Section 8 of the Housing Act of 1937 (42 U.S.C. §1437f(o))*

