



# City of South Lake Tahoe Report to Governing Board

**Meeting Date:** June 26, 2024

**Title:** Tourist Core Area Plan/Specific Plan Amendments

**Location:** Tourist Core Area Plan Mixed-Use District, APN 029-441-024

**Responsible Staff Members:** John Hitchcock, Planning Manager (530) 542-7472

## **Background:**

The TCAP was originally adopted by the City of South Lake Tahoe on October 14, 2013, and by the TRPA Governing Board on November 11, 2013, and has since been amended to modify land use and plan boundaries. The plan provides land use guidance for future development and redevelopment and addresses land use regulations, development and design standards, transportation, recreation, public service, and environmental improvements for the area. It encourages general improvement and enhancement for the built environment and provides a framework to change the existing conditions into opportunities for redevelopment with a focus on achieving environmental improvements, encouraging a mixed-use land use pattern that includes high-density tourist accommodation and residential uses, commercial, public facilities, public spaces and opportunities for housing in close proximity to job centers. The TCAP is the center of tourist services and recreation access in the city and has traditionally been the area with the highest concentration of services and density.

HVR Acquisitions LLC (HVR) submitted a development application in 2019 to the City of South Lake Tahoe, proposing an amendment to the Tourist Core Area Plan/Specific Plan. HVR proposed to amend the existing zoning for two parcels, APNs 029-240-011 & 029-441-003, from Recreation (Rec) to Tourist Center Mixed-Use (TSC-MU). The amendment would expand the boundary of the TSC-MU district, allowing additional land uses (multi-family, tourist accommodation, commercial and public services uses) that are not allowed in the Recreation district and would allow additional heights up to 56 feet from 36 feet and increase density to 25 units an acre.). HVR's intent in pursuing the amendment is to develop multi-residential units on APN 029-441-004, which is already zoned TSC-MUC, and on the two subject parcels that are affected by this amendment.

After conducting a public workshop on the proposed amendment and receiving comments from the public, the League to Save Lake Tahoe, the California Tahoe Conservancy, and the Nevada Division of State Parks, the applicant amended the proposal in response to concerns. Discussion and analysis of the original proposal and revised amendment and its potential impacts are provided below in the Issue and Discussion section.

**Issue and Discussion:** The subject parcels total 5.05 acres currently in the Recreation District (APNs 029-240-011 and 029-441-003). The Recreation district allows for a variety of recreation uses, such as dispersed recreation and parks. Permissible uses in this district are primarily

related to recreation uses and include cross-country ski courses, day-use areas, group facilities, riding and hiking trails, rural sports, snowmobile courses, employee housing at 15 units per acre, and single-family dwellings (a caretaker residence). Height within the Recreation district is capped at 36 feet, but like all other districts in the Tourist Core Area Plan, a maximum of 70 percent coverage is allowed on high capability lands.

The subject parcels were previously zoned tourist accommodation (see Attachment 02, PAS 089B – California South Stateline Resort Area, but were rezoned to recreation when the Stateline/Ski Run Community Plan was adopted in 1994. Under PAS 089B, prior to 1994, multi-family and single-family dwellings were permitted with a special use permit. When the Tourist Core Area Plan was adopted to replace the Stateline/Ski Run Community Plan, the Recreation district designation and permissible uses were carried over into the Tourist Core Area Plan.

Since the adoption of the community plan, the properties have been held in private ownership, and there have not been any proposals or discussions to develop the properties with recreation-type uses. It is likely that the properties were not developed because of existing site constraints and parcel size. TRPA completed a land capability verification for the subject parcels and has verified a stream environment zone (SEZ) on both parcels. In total, approximately 46% of the parcels are designated SEZ and are not developable (see Figure 3 and Figure 4). Any development would be limited to the high capability portion located to the southwestern portion of APN 029-240-011 and the northeastern portion of 029-441-003, which is adjacent to Van Sickle State Park.

Figure 3 – APN 029-240-011 Land Capability Verification

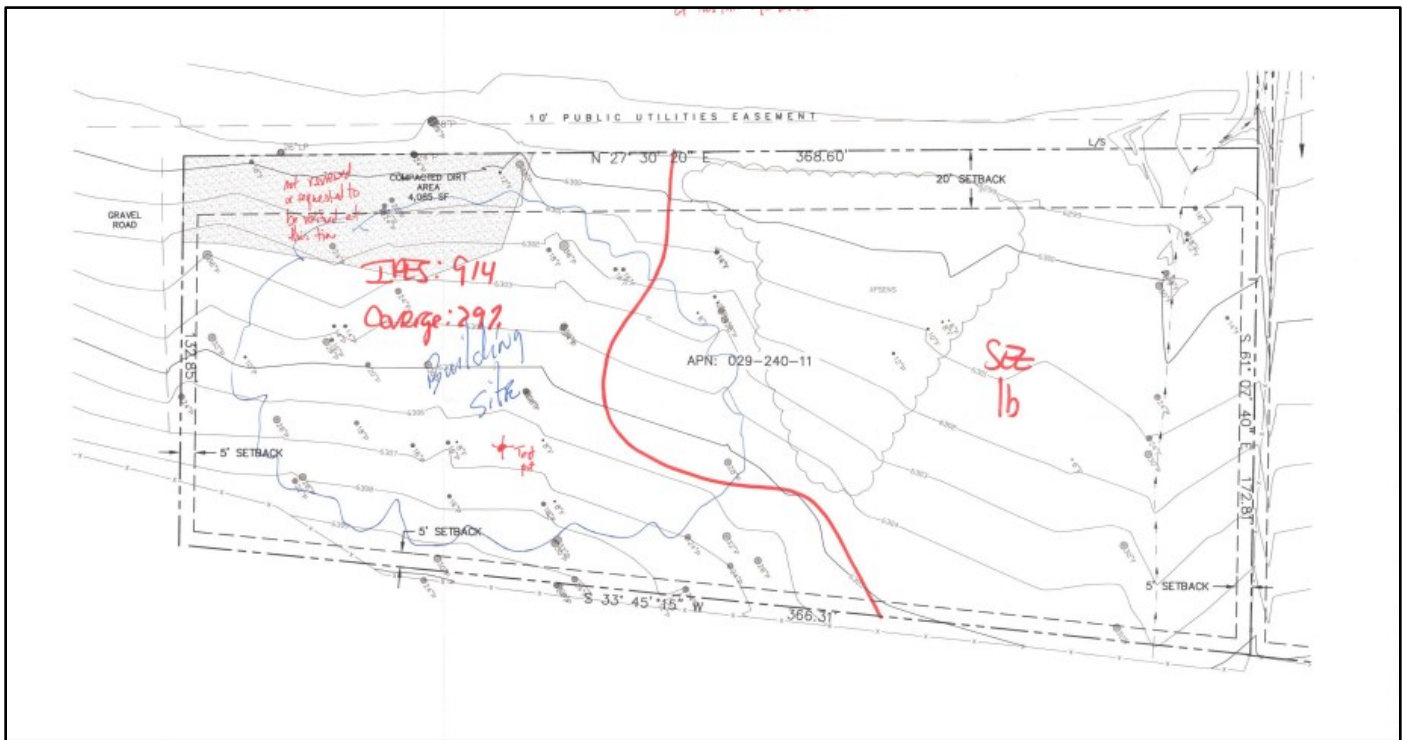
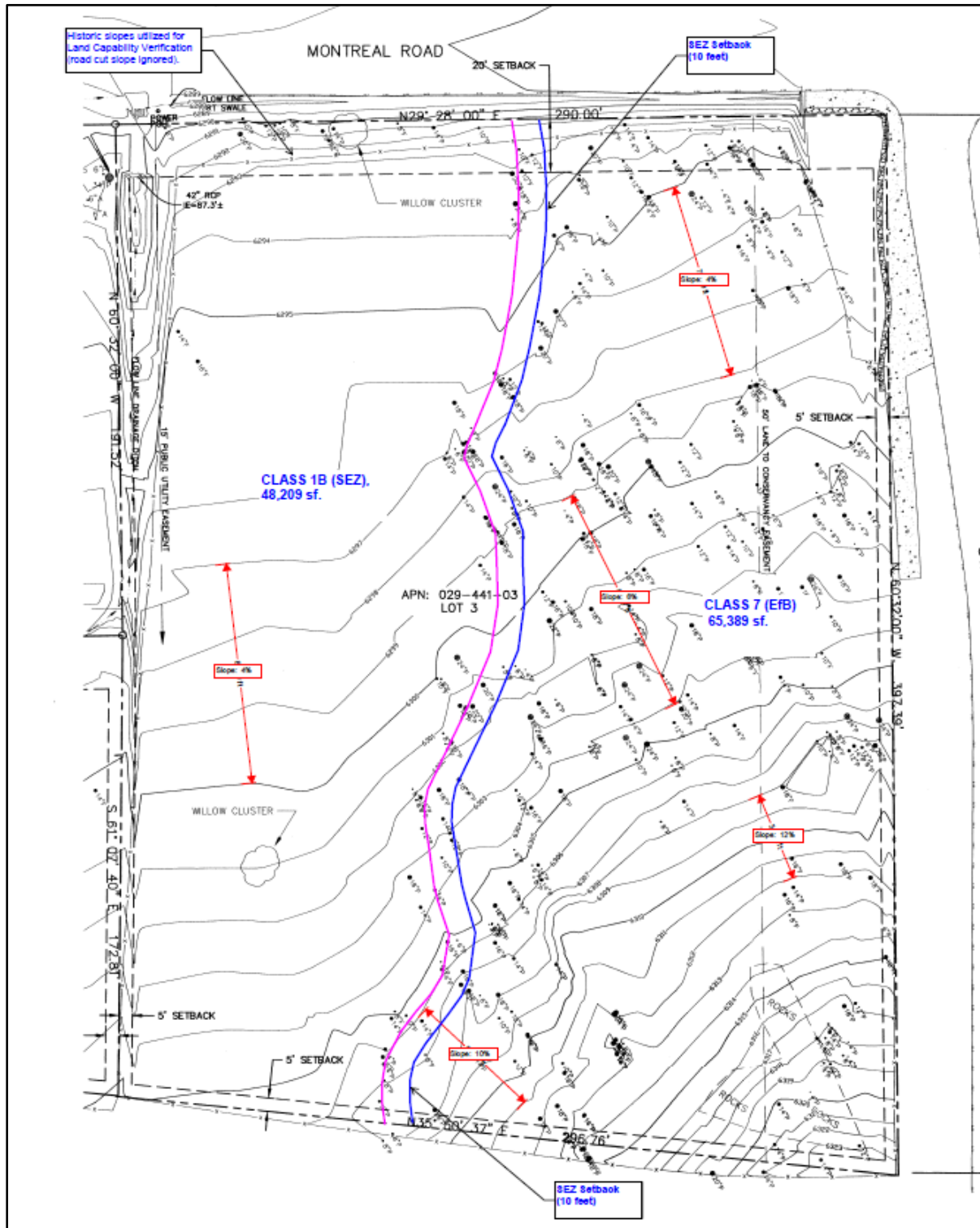


Figure 4 – APN 029-441-003 Land Capability Verification



Prior to

preparing an Initial Study to evaluate the impacts of the proposed amendment, the City, in

coordination with the applicant, conducted an online public scoping meeting on November 12, 2020, to take public comment on the proposed amendment and the scope of the environmental analysis. The meeting was attended by members of the public and staff members from the League to Save Lake Tahoe, the California Tahoe Conservancy, and the Nevada Division of State Parks. Commenters expressed concerns that the proposed amendment would impact the adjacent SEZ and its potential for quality habitat, result in management issues extending beyond the private development, encroachment, storage of equipment on public lands, change to the recreation character of the area resulting in scenic impacts, wildfire impacts, and creating parking issues at Van Sickle State Park.

### Scenic

The developable portion of the subject parcel is approximately 540 feet from Van Sickle State Park and is well screened with mature vegetation located along the southern boundary of the Van Sickle Park property line and the adjacent parcel (see Figure 5). Any future potential project would also be required to implement the design standards of the Tourist Core Area Plan, which requires a mountain architectural aesthetic that incorporates building articulation, fenestration, pitched roofs, use of earthtone colors, natural and natural appearing materials, and onsite landscape to ensure development complements its natural setting. Incorporating the adopted design standards would reduce any potential scenic impacts or impacts to existing scenic views located onsite or offsite.

### Encroachment

To reduce any potential encroachment on public lands, the SEZ, or degrade habitat, and restrict the storage of personal property on adjacent public lands, any future potential project will include a visually permeable perimeter fencing along the SEZ setback line. The fence will reduce any potential encroachment on the SEZ or on adjacent public lands.

### Parking

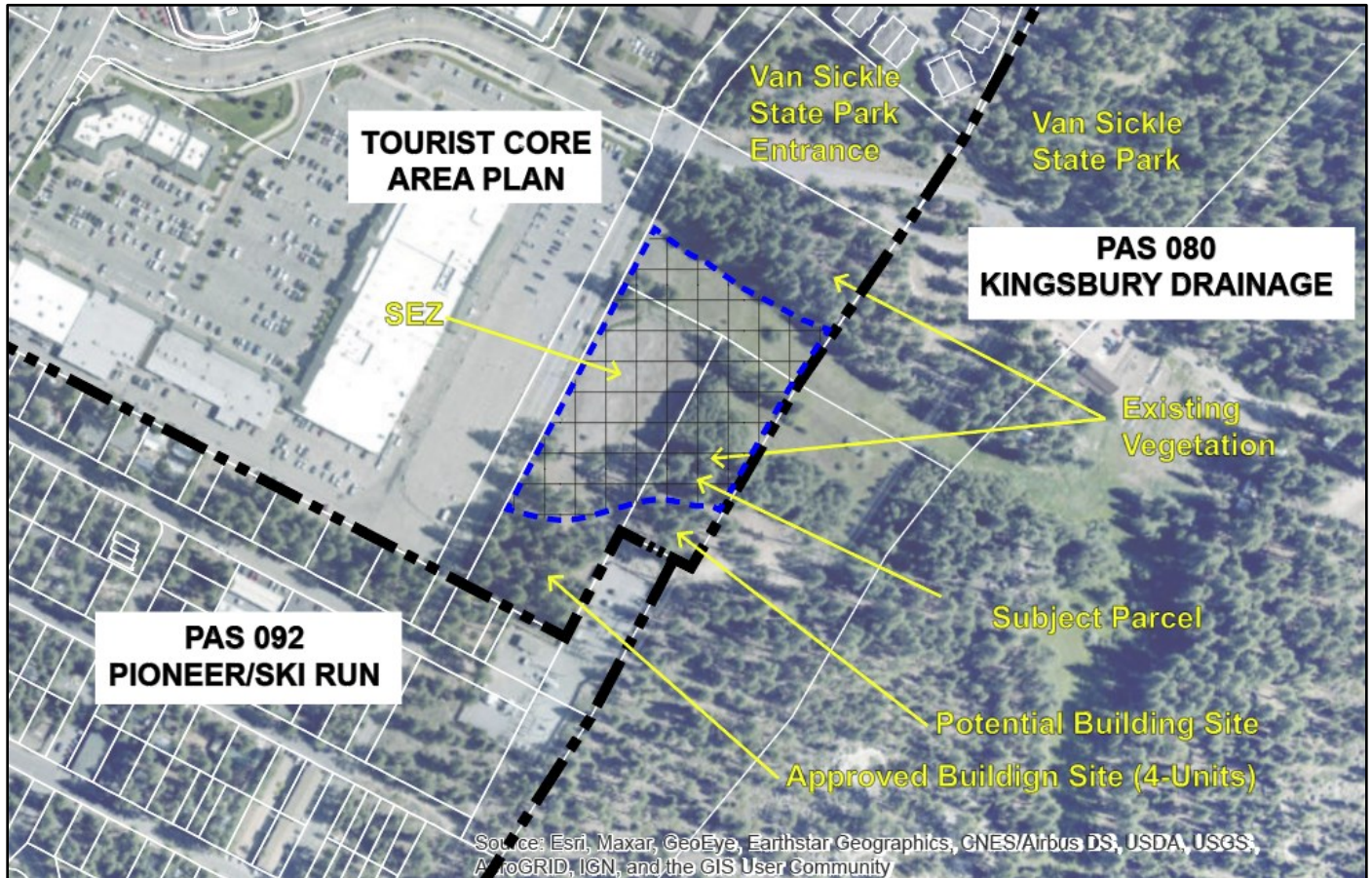
Concerns were expressed by the California Tahoe Conservancy that limited parking at Van Sickle State Park would be used by private individuals in any future residential project, thereby excluding the public from parking at the park. The City parking standards require all project types, including residential, to provide adequate onsite parking to serve the residents and guests. Any potential future projects would be required to meet the City parking standards. Moreover, due to the proximity of the entrance of Van Sickle State Park to the subject parcel, it is unlikely any future residents or guests would utilize parking at the park. As noted by CTC staff, Van Sickle Park was purposely designed to encourage pedestrian access by limiting parking and providing recreation access to a highly urbanized south shore area via existing sidewalks and paths.

### Fire Risk

Concerns were also raised about the proposed amendment increasing fire risk by pushing development into the Wildland-Urban Interface Zone. It should be noted that the Recreation District already allows development, and all development, regardless of its zoning district, is

required to use materials, systems and/or assemblies in the exterior design and construction that meet California Building Code 7A requirements for construction in the Wildland-Urban Interface Zone. All potential projects are also required to meet appropriate setback requirements for defensible space and must be approved by the City Fire Inspector.

Figure 5 – Subject Parcel in Relation to Van Sickle State Park



### Revised Project Description and Proposed Amendment

As a result of comments received during the scoping meeting and subsequent discussions with California Tahoe Conservancy staff, the proposed amendment was amended to address these concerns. The project description was revised to remove the parcel adjacent to Van Sickle State Park from the proposal (APN029-441-003). This parcel would remain zoned as recreation.

Subsequently, the remaining subject recreation parcel (APN 029-240-011) was merged with APN 029-441-004, which is located in the TSC-MU district, to create APN 029-441-024. However, the merge did not affect the area plan boundary, and a portion of the new merged parcel is still zoned Recreation and is the subject area of this proposed amendment (see Figure 6).

In response to concerns related to a change in recreation character and potential scenic impacts, the proposed amendment was also revised to add policies to the TSC-MU district that are

specifically applicable to the subject parcel. These policies would limit the use of this parcel to residential, linear public facilities, recreation, resource management, and open space uses (tourist, commercial, and most general public service land uses would be prohibited). In addition, the density was proposed to be capped at four dwelling units an acre.

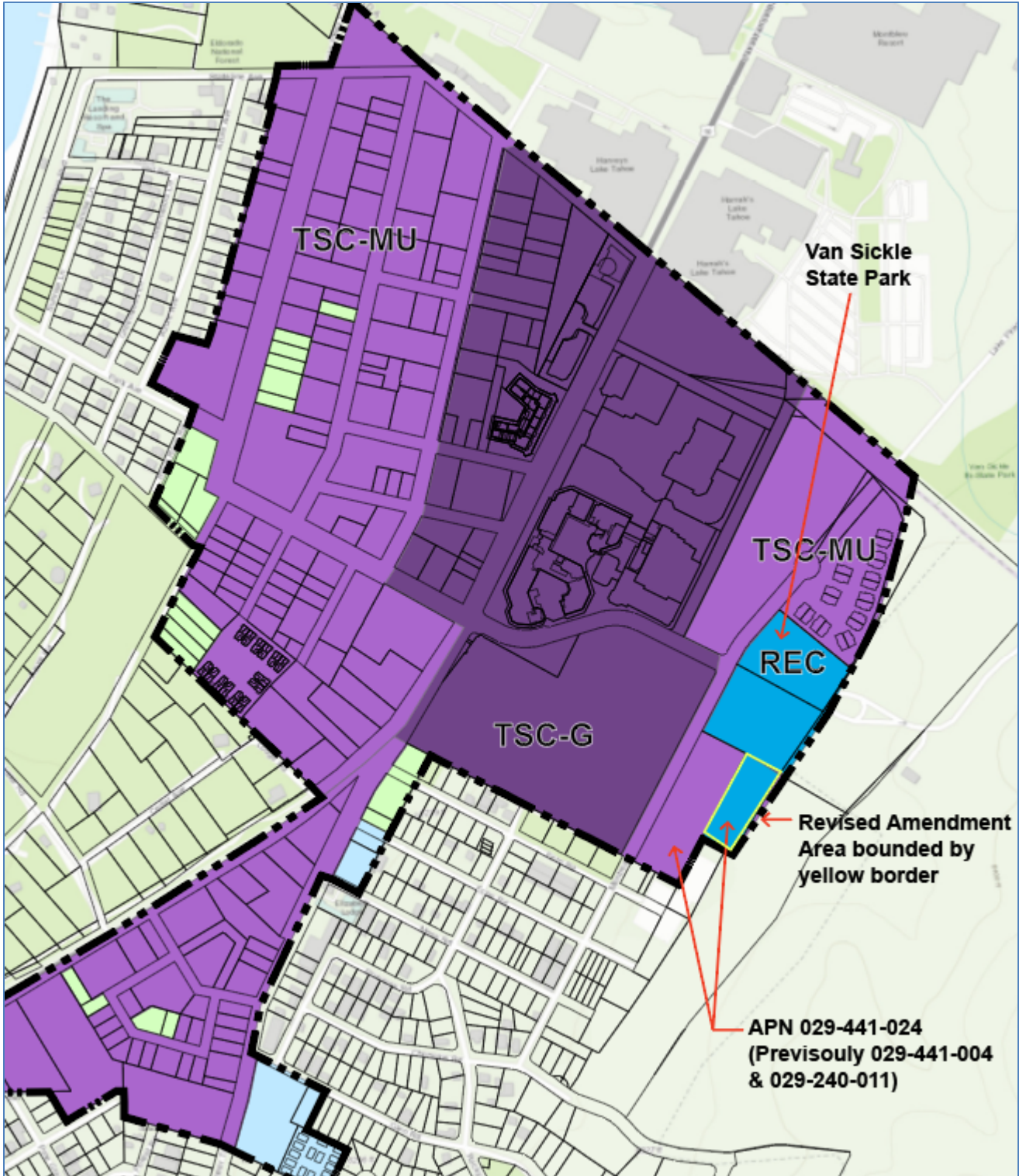
In addition to the change in the project description, the privately initiated area plan amendment was incorporated into the staff-initiated Tourist Core Area Plan Amendment to streamline the amendment process.

### 2024 Project Description and Proposed Amendment

On June 6, 2023, staff presented the Tourist Core Area Plan Amendment to the City Council. During deliberation, the City Council questioned the proposed reduction in density and commented that the density should be higher considering the parcel is located in a designated Town Center. In addition to supporting higher density on the parcel, the Council directed staff to remove the privately initiated area plan amendment from the staff-initiated Tourist Core Area Plan Amendment and process the amendment separately on its own merit.

As a result of the City Council comments related to density, the applicant has revised the project description to remove the density limitation of four dwelling units an acre. All other aspects of the proposal would remain the same, including limiting residential and linear public facilities, recreation, resource management, and open space uses on the parcel. If the amendment is successful, the Tourist Core Area Plan density standard would potentially allow up to 32 additional residential units. In addition, the applicant has also revised the project description to commit to deed restricting two residential units in any potential future project to TRPA-designated "achievable units."

Figure 6 – Revised Amendment Area



Initial Study

To evaluate the potential environmental impacts of the proposed amendment, Hauge Brueck Associates prepared an Initial Study/Mitigated Negative Declaration (IS/MND) pursuant to the California Environmental Quality Act (CEQA). The IS/MND analyzes the project's potential to result in significant environmental impacts. Areas of analysis include aesthetics, agriculture and forestry, air quality, biological resources, cultural resources, geology and soils, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, land use planning, mineral resources, noise, population and housing, public services, recreation, transportation and traffic, utility and services systems, and additional mandatory findings of significance related to potential cumulative impacts. The analysis concluded that the proposed project could potentially have impacts in the following resource areas: public services and recreation.

The IS/MND concluded that the proposed amendment could potentially impact parking demand at full build-out if the amendment were successfully adopted. The IS/MND includes Mitigation Measure TRAN-1, which requires the property owner to enter into an agreement for offsite parking or submit a parking analysis that supports a reduction in the parking demand ratio.

### Tribal Consultation

Pursuant to state law, the City has completed the requirements for consultation with Native American tribes under Assembly Bill 52 and the California Environmental Quality Act (CEQA) Guidelines. Consultation letters were sent on December 14, 2020 to the Lone Band of Miwok Indians, the Shingle Springs Band of Miwok Indians, the United Auburn Indian Community, and the Washoe Tribe of California and Nevada. The City did not receive a request for consultation on the proposed area plan amendment.

### Public Comment Period and Public Noticing

The IS/MND has been sent, along with a Notice of Completion, to the California State Clearinghouse for distribution to state and regional agencies for review. The IS/MND has also been available at City offices (1052 Tata Lane) and online at <https://www.cityofslt.us/DocumentCenter/View/14967/Tourist-Core-Area-Plan-Amendment-PDF>. The 30-day comment period begins on January 19, 2024, and ends on February 26, 2024.

A Notice of Availability and Notice of Intent, advertising the review period was published in the Tahoe Daily Tribune on January 26, 2024, and mailed to affected property owners on January 30, 2024. The Planning Commission conducted a duly noted public hearing on February 22, 2024, to take public comment on the proposed amendments and the Initial Study/Mitigated Negative Declaration.

On March 21, 2024, the proposed amendments and the Initial Study/Mitigated Negative Declaration was considered by the Planning Commission. The Planning Commission received a presentation from staff and the applicant's representative, took public comment, voted 3-0 to pass a resolution adopting the Initial Study/Mitigated Negative Declaration, and recommended the City Council adopt the Tourist Core Area Plan Amendments. The City Council voted to approve the amendments on April 23, 2024.



**Environmental Considerations:**

California Environmental Quality Act

See "Issue and Discussion" section above.

**Financial Implications:**

None

**Policy Implications:**

City of South Lake Tahoe General Plan

The following goals and policies are applicable to the proposed amendment.

The subject parcel is currently designated as Tourist Center in the City General Plan. The Tourist Center, land use designation, is defined as follows:

*This designation provides for a mixture of uses, including tourist accommodation, commercial, intensive recreation, high-density residential, and mixed-use residential. This designation is applied to areas that are currently developed as commercial/visitor centers, have excess land coverage, where vertical mixed-use projects are appropriate and are near commercial, employment, transit, and public services.*

The Land Use and Community Design Element of the General Plan includes the following goals and policies to encourage development, redevelopment, and upgrades to existing development.

*Goal LU-2 : To focus future commercial, multi-family residential, tourist, civic, and social gathering space development in community plan area in order to maximize incentives and create transit-, bicycle-, and pedestrian-oriented places that serve the needs of both residents and visitors.*

*Policy LU-2.2: Community Plan Preparation, Adoption, and Implementation*

*The City shall periodically update and implement the four Community Plans as a way to focus development commodities and revitalization efforts.*

*Policy 1-7: The City shall direct high-density residential development to sites located within walking distance of public transit and services. The City shall consider minimum density requirements in these areas.*

The proposed amendment is generally consistent with the goals and policies listed above in that the amendment would potentially direct high-density residential uses within a designated Town Center and is within proximity of commercial, recreation, employment, transit and public service uses.

Tourist Core Area Plan

The Tourist Core Area Plan was adopted by the City "to establish a framework that will achieve redevelopment and reinvestment in properties, on the ground environmental improvement, enhancement of the built environment...and increased access to recreation opportunities." The proposed amendments would rezone the subject parcel to TSC-MUC and would potentially allow for residential development beyond the one caretaker unit or employee housing that is currently allowed. The proposed amendment is consistent with the Tourist Core Area Plan Town Center and TSC-MU designation, which encourages the diversification of land uses within close proximity to employment centers, services, recreation and transit.

While the TCAP currently shows the amendment area in the Recreation District it is also included in the TCAP Town Center Overlay and included in the Transfer of Development Rights Receiving Area. The amendment is, therefore, also internally consistent with the TCAP.

### TRPA Regional Plan

The TRPA Conceptual Regional Land Use Map ([https://www.trpa.gov/wp-content/uploads/documents/archive/2/FinalAdoptedRegionalPlanMaps\\_amended1-2-2018.pdf](https://www.trpa.gov/wp-content/uploads/documents/archive/2/FinalAdoptedRegionalPlanMaps_amended1-2-2018.pdf)) identifies the amendment area as "Tourist" land use and within a "Town Center" district. Town Centers 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. The amendment is, therefore, consistent with the TRPA Regional Plan. Specifically, the amendment is compatible with TRPA Land Use Policies LU-1.1 and LU-1.2 as well as Community Design Policy LU-2.1

A precedent exists for rezoning recreation properties to allow for residential and tourist accommodation uses. These include an amendment in the 1990s to Plan Area Statement 070 to permit tourist accommodation uses within the existing Edgewood Tahoe Golf Course and the 2012 TRPA Regional Plan creation of a Resort Recreation District for Edgewood Company's "mountain parcel" and the Heavenly Ski Resort California base lodge area. These amendments allow for multi-family development and tourist accommodation uses on formerly zoned recreation properties close to employment centers, services, recreation, and transit.