

TAHOE REGIONAL PLANNING AGENCY  
REGIONAL PLANNING COMMITTEE

TRPA/Zoom

May 22, 2024

**Meeting Minutes**

CALL TO ORDER AND DETERMINATION OF QUORUM

Chair Mr. Hoenigman called the meeting to order at 3:00 p.m.

Members present: Ms. Aldean, Ms. Diss, Ms. Gustafson, Mr. Hoenigman, Ms. Leumer, Mr. Settelmeyer

I. APPROVAL OF AGENDA

Mr. Hester stated that there were no changes to the agenda.  
Mr. Hoenigman deemed that agenda approved as posted.

II. APPROVAL OF MINUTES

Ms. Aldean moved approval of the April 24, 2024 minutes as presented.  
**Motion carried-voice vote.**

III. [Discussion and possible recommendation for approval of the proposed amendments to the Tourist Core Area Plan Mixed-Use District regarding Parcel 029-441-024, City of South Lake Tahoe](#)

TRPA staff Ms. Bettinger and Mr. Hitchcock, City of South Lake Tahoe provided the presentation.

Ms. Bettinger said this proposed amendment would rezone a portion of a parcel within the Tourist Core Area Plan. This amendment has been in the works for a number of years, and I would like to thank the city and the applicant for making revisions to address concerns. This is a private property owner-initiated amendment with the city. The city council approved the amendment in April, and the Advisory Planning Commission recommended Governing Board adoption earlier this month.

There is a proposed project under the amendment. If approved, the project would be processed under the city's delegation Memorandum of Understanding, so it wouldn't return to TRPA. We recommend focusing on the amendment itself rather than the project.

The amendment would rezone the back portion of the parcel from recreation to tourist center mixed- use. This area is right behind the former Raley's shopping center, off Montreal Road, and was the site of the former Colony Inn hotel. Currently, the recreation designation allows for single-family residential and employee housing at 25 units per acre. The amendment would allow multi-family residential housing at 25 units per acre, with the resulting project proposing 30 units, including two deed restricted achievable units. The applicant has an active application with TRPA

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to restore the Stream Environment Zone (SEZ) on the site, addressing past concerns. The amendment only affects the local area plan, not the Regional Plan maps or boundaries.

This amendment was previously discussed in July 2022, but no action was taken due to concerns. Since then, the proposed density has increased to 25 units per acre, and measures to restore and protect the SEZ have been included. Affordable housing has also been revised to include a couple of units of achievable housing. Further project details will be provided by Mr. Hitchcock.

(presentation continued)

Mr. Hitchcock said the city originally received this application from HVR Acquisitions in 2019 to amend the Tourist Core Area Plan by rezoning two parcels. These parcels were intended to be rezoned from recreation to tourist center mixed-use. One parcel is located adjacent to the Van Sickle State Park entrance, and the other is adjacent to what is historically referred to as the Colony Inn.

It's important to clarify that the Colony Inn parcel is not part of this current amendment. The Colony Inn parcel was already part of the tourist center mixed-use center and is not part of this current proposal. The amendment only affects the two parcels adjacent to Van Sickle State Park and the one adjacent to the Colony Inn site.

If the amendment is successful, the applicant proposes to develop a multi-family residential condominium project on the project site. The original proposed amendment included these two recreation parcels, one adjacent to Van Sickle State Park and the other private parcel. These parcels allow for various uses, including employee housing, single-family dwellings, public assembly and entertainment, outdoor amusement, public health and safety facilities, and more.

In response to public comments and concerns from partner agencies, the application was revised. The parcel adjacent to Van Sickle State Park was removed from the proposal, and the allowable uses in the rezoned area were limited. Maximum density was reduced to 4 units per acre, and measures were incorporated to address potential impacts on adjacent public lands and the Stream Environment Zone (SEZ).

The revised project description was presented to the Regional Planning Committee and the City Council. Concerns were raised about the reduction in density in a designated town center, leading to the removal of the density limitation. The current proposal is to rezone the parcel bound by the yellow border from recreation to tour center mixed-use district while retaining the adjacent parcel as recreation.

The city completed tribal consultation without receiving any comments or requests. An initial study and negative declaration document were prepared, concluding that the only impact would be on parking demand, which could be mitigated by offsite parking or a parking analysis supporting a reduction in parking. The amendment was adopted by the city council, and the Advisory Planning Commission recommended approval. The proposed amendment is consistent with the goals and policies of the Tourist Core Area Plan, the City's General Plan, and the City's housing element, aiming to direct high-density housing projects to town centers and areas near transit, pedestrian infrastructure, and public amenities.

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Committee Comments & Questions

Mr. Settelmeyer asked if it were correct that the entrance to the Van Sickle Bi-State Park is partly on this private parcel.

Mr. Hitchcock said that is correct. There's an easement through a small sliver of the parcel that's adjacent to Van Sickle Bi-State Park.

Mr. Settelmeyer is concerned because that easement can be moved around a little bit, or would it always be in perpetuity at that particular location? Because currently it lines up with the other roads and it makes some sense. Are they looking to try to alter that entrance which could have significant impacts to the bi-state park.

Mr. Hitchcock said he doesn't believe there's any plans to alter that entrance. I don't have the easement language on hand, but that parcel is not part of this amendment and is not affected by this amendment.

Mr. Settelmeyer said because it's now been left out but originally it was, correct?

Mr. Hitchcock said yes, originally it was.

Mr. Settelmeyer said that's been a concern of his staff.

Ms. Gustafson asked if there's a response to some of the issues that were raised in the letter we received from the League to Lake Tahoe.

Mr. Hitchcock said the city provided responses to the League in the in our response to comments in the final Initial Study Negative Declaration.

Ms. Gustafson said there were comments about the intended restoration of the site.

Mr. Hitchcock said the Colony Inn site when the project was demolished as part of the TRPA permit to transfer the tourist accommodation units off that site to another project required that that site be restored and maintained in its natural state. The restoration was approved by TRPA and then the security deposit was returned. However, that turns out that the restoration was not, was not effective and failed.

Mr. Hoenigman said it's confusing because no one has shown where the development is going to go and whether it's on one or more parcels, where the stream environment zone is and how they relate. It's hard without a spatial understanding to see what's really going on.

Mr. Hitchcock referred to page 296 of the packet.

Mr. Hoenigman said most of the development will be on the old Colony Inn site with a portion of it being on the site that is being rezoned.

Mr. Hitchcock said that is correct. Then the stream environment zone restoration that was required is part of the demolition of the Colony Inn site is that SEZ portion to the right of the high capability portion.

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Ms. Aldean asked if the prior efforts to restore the stream environment zone failed because there was not a source of water.

Mr. Hitchcock said yes, that's correct.

Ms. Aldean asked how this attempt was going to be successful when the previous attempt failed.

Mr. Hitchcock deferred to Mr. Wischmeyer, HVR Acquisitions, who has been in discussion with TRPA staff on how to re-restore the stream environment zone. It's my understanding that due to the size channel the water wasn't overflowing the banks in order to keep the meadow wet and that's why it failed.

Ms. Aldean asked who owns the water that's going to be used to restore the stream environment zone and is it an easy fix?

Mr. Marshall said the project proponent can answer what they're planning for the stream environment zone restoration that was worked out with TRPA staff Mr. Nielsen. He believes it's increasing the ability to slow the water to spread it out and infiltrate more of it. Unfortunately, the first round was not successful at doing that.

Ms. Aldean asked where the water was coming from.

Mr. Marshall said it's natural runoff.

Mr. Hitchcock said it's natural seasonal runoff from the ridge lines.

Ms. Leumer asked if it was correct that the parcel was supposed to be permanently retired.

Mr. Hitchcock said in the deed restriction that was recorded for the parcel for the transfer of the tourist units off the site. All the deed restriction said was that the site was to be restored and left in its natural state. There was no mention of retiring the site or the parcel.

Ms. Leumer asked if there was a picture of what it looks like now.

Mr. Hitchcock referred to page 299. It's in a natural state but is not a functioning stream environment zone which was the requirement of the TRPA permit.

Ms. Leumer said it sounds like that's feasible.

Mr. Hitchcock said yes.

Ms. Leumer asked staff to explain how this rezoning would support TRPS's Goals and Policies.

Ms. Bettinger said we want to see development in our town centers. This parcel is now within the town center boundary. From our perspective, the amendment is in line with TRPA's Regional Plan Goals and Policies of encouraging development in town centers.

Ms. Leumer asked if it were correct that it would be development of what is currently open space.

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Mr. Hitchcock said it's not open space. It's zoned recreation. If this were open space, this amendment wouldn't be before you. It's undeveloped right now, but it's not designated open or green space as the term used by the League to Save Lake Tahoe.

Ms. Leumer said in terms of trying to help achieve our affordable housing goals, can you speak to how many affordable units will be part of this?

Mr. Hitchcock said the applicant is proposing two achievable units out of 30.

Ms. Aldean said there was a conversation back in 2022 that had to do with the transfer of development rights to an iteration of the Biltmore property. Is there a deed restriction on this property that would have to be removed?

Mr. Hitchcock said there is a deed restriction on the property that essentially states that the stream environment zone portion has to be left in its natural state.

Ms. Aldean referred to page 299. The cross hatching represents the stream environment zone and is it correct that the potential building site and approved building site are not encumbered by the deed restriction.

Mr. Hitchcock said the portion that's being rezoned is not in is not encumbered by that deed restriction. The stream environment zone that's on the back portion, has not been disturbed. What about the port?

Mr. Hoenigman asked what about the part of the property that is not in the stream environment zone that is supposed to be being developed on the former Colony Inn site. That is also not encumbered by a deed restriction from the transfer of those rights.

Mr. Hitchcock said that portion is. It's all the Colony Inn site.

Mr. Hoenigman said that's the confusing part and it the League's primary point is that site was traded and now we're ignoring that fact.

Mr. Hitchcock said we're interpreting it is that the deed restriction required the restoration of the stream environment zone and the SEZ to be left in its natural state. But the deed restriction didn't encumber that the whole parcel would be retired. There's no mention of retirement anywhere in TRPA's deed restriction. In the City's resolution where the city allowed the applicant to move the units of use out of our jurisdiction into Washoe County has a mention in the resolution that talked about the site being retired. But I think the intent of the City Council at the time was that we're going to allow these tourist accommodation units to be transferred if you restore the stream environment zone pursuant to TRPA's requirements through their permitting process.

Ms. Aldean said then it's not a violation of the deed restriction if tourist accommodation units are transferred back on to the old Colony Inn site.

Mr. Hitchcock said that's correct because any transfer would have to be transferred back onto the high capability portion. There are still development rights associated with the parcel that are banked on the parcel that will be used.

Ms. Gustafson asked if the City has affordable housing or achievable requirements.

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Mr. Hitchcock said they have an inclusionary housing ordinance, and the two units would meet that standard.

Ms. Gustafson said then it's not a ten percent requirement which would be three units. It's another formula being used.

Mr. Hitchcock said that's correct.

Mr. Hoenigman said the City requirement is for less than ten percent and achievable, not even affordable. We've been looking for at least ten percent achievable in the other projects that we've been permitting.

Mr. Hitchcock said the City's inclusionary housing ordinance requires either to build units or pay an in lieu fee. He doesn't have the ordinance on hand to state what the percentage is.

Ms. Gustafson said then they may be building two and then doing an in lieu fee for the third.

Mr. Hitchcock said it will depend on what they propose. If they propose units are less than 2,000 square feet, which I believe they are, then the inclusionary housing ordinance does not apply. We're trying to go after this concept of affordable by design and encourage smaller units, hence the cap at 2,000 square feet where we exempt developers from paying the fee or doing in lieu housing units.

Ms. Leumer is concerned about developing space and then doing it for the sake of a bunch of condominiums with two achievable units. Most of us, if not all of us on board, are very supportive of more affordable housing and this doesn't seem to be doing much to add to that. She encouraged the City to consider doing more for affordable housing units in these developments. She cannot support this at this time.

Mr. Hoenigman would like to see ten percent. It's one more unit. They are not deed restricted, they're just full-time residents. So, the financial burden of it is not gigantic. Our new proposal is ten percent affordable and that's a different cost burden. Is there any restriction on the certificate of occupancy being conditioned on the stream environment zone being restored or a bond to ensure that the work happens before the project's over?

Mr. Hitchcock said doesn't know if there's a linkage between the zoning amendment and the requirement for the restoration or the project, and the restoration of the stream environment zone. The applicant is committed to doing the restoration and the City appreciates that. The City's in the thick of it right now in developing affordable housing. And because of the cost and the subsidies that are required to build affordable housing, the City's strategy is working with affordable housing developers to build affordable housing rather than relying on private developers who build market rate units to meet our affordable housing demand. We have around 240 units coming with Sugar Pine Village. The first phase will be occupied this fall. We're also proposing another 70 unit affordable housing project on 3900 Lake Tahoe Boulevard which will hopefully start construction next year. That's the strategy that the City is taking to meet our affordable housing and Regional Housing Needs Allocation (RHNA) numbers. Their RHNA numbers also have above moderate units totaling 127 units and right now we're sitting at about 67 and 60 to go to meet our RHNA targets for above market units.

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Ms. Aldean said the deed restriction requires that this cross hatched area on page 299 remain an open space because it's a stream environment zone and would not be developed. Is there an obligation to restore it in the deed restriction because then that would be incumbent upon the new owner to take on that responsibility even though it failed in the past.

Mr. Hitchcock said the deed restriction, Item I states that as a condition of above referenced TRPA approvals Chapter 51 of TRPA's Code of Ordinances requires an appropriate deed restriction be recorded against the sending parcel documenting the transfer of the tourist accommodation units from the sending parcel to the receiving parcel. And that the sending parcel be restricted to reflect the use remaining thereon. The deed restriction must likewise document the structure facility accounting for the existing use on the sending parcel shall be or has been removed or modified and the land restored and maintained in a natural state as possible as to eliminate the transfer of development.

Ms. Aldean said its natural state right now is dry. It could be argued that at certain times of the year, that's its natural state. That deed restriction was recorded by TRPA so, it would be incumbent upon this Agency to enforce it. If the City is not willing to enforce a requirement prior to issuing the permit that the stream environment zone be successfully restored, then what are our obligations or options as TRPA?

Mr. Marshall said first set aside the zoning decision which is before the committee now versus project approval which under our delegation the City will take the first crack at it. If it's appealed, then it comes to the Governing Board. TRPA can work with the City, to make certain to link the restoration of the stream environment zone with approval of their multi-family development in the first instance. If we can't get it, then we can look at enforcing the deed restriction. That issue though is difficult because we signed off on the stream environment zone restoration as complete and then it failed. We need to look at the most efficient way of getting the stream environment zone restored which is the objective.

Ms. Aldean said the best approach is through a cooperative effort between TRPA, the City, and the applicant.

Mr. Marshall said that's correct.

Mr. Exline, land-use planning consultant, is working with Mr. Wischmeyer to navigate this process. This project aligns with community aspirations, promoting affordable housing, environmental improvements, and transit-oriented development—a vision supported by local authorities.

Mr. Wischmeyer has completed collaboration with the City and TRPA. Today, we're discussing the actual zoning amendment. I appreciate your insightful question and want to address it thoroughly, correcting some inaccuracies. At the core of this issue is how it aligns with TRPA and city goals, which it does in various ways, including affordable housing.

Firstly, stream environment zone (SEZ) restoration is crucial. Mr. Wischmeyer has diligently pursued this, working with TRPA and Mr. Nielsen, undergoing extensive testing to ensure the right solution. This collaboration progresses alongside the project's approval and development. Collaboration is key to SEZ restoration efforts, especially in securing funding. Leveraging private capital for large-scale restoration aligns with TRPA goals and community needs.

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Affordable housing is another vital aspect. While the unit count may seem misleading, the project contributes significantly. Out of 12 approved units, 8 are already under construction, exceeding local requirements. Improving scenic integrity is also a priority. Screening mechanical industrial uses enhances the area's aesthetics, crucial for a tourist core. Water quality is addressed not only through SEZ restoration but also via private-funded street improvements, essential in areas where public funding falls short. The project enhances community dynamics by facilitating high-density living in the tourist core, promoting walkability and transit use. Regarding Van Sickle Bi-State Park, there's no connectivity issue. The project's approval by the Planning Commission and City Council underscores its alignment with community needs and goals.

Mr. Hoenigman said the 12 units are going on the new property that will be rezoned. They are already building 18 units on the original property with the SEZ Colony Inn site.

Mr. Exline said that's correct but not in the SEZ.

Mr. Wischmeyer, owner and developer said as a proud 25-year local resident of this neighborhood, I'm genuinely excited about this project. It's poised to bring much needed visual relief to our tourist core. Over the past five years, I've actively collaborated with the City, TRPA, and our local community to ensure this project aligns with our shared goals. The TRPA Regional Plan emphasizes reducing vehicle miles traveled and incentivizing walkability, while the City's Tourist Core Area Plan offers more detailed guidance than both the South Lake Tahoe General Plan and the 2012 TRPA Regional Plan. This plan's primary goal is the revitalization of the tourist core, focusing on redevelopment to achieve better energy use, lower carbon footprints, reduce vehicle congestion, and minimize traffic on city streets.

The area in question, occupying just 0.6 of an acre and bordering a massive substation, is currently inaccessible to the public and lies behind an already approved development. However, it aligns perfectly with the Tourist Core Area Plan's goals for density and walkability to key amenities such as the gondola, transit hub, lake, downtown, and casinos.

I'm particularly enthusiastic about the positive impact this project will have on our community, including the restoration of the stream environment zone (SEZ). In 2020, I was surprised to learn that the TRPA had deemed the 2013 SEZ restoration efforts a failure. Believing it was in everyone's best interest to ensure a functional SEZ. I used my own funds to initiate a restoration plan.

Despite setbacks caused by the COVID-19 pandemic and the Caldor fire in 2021, I engaged engineering and environmental service companies to assess the situation thoroughly. It was determined that the original restoration failure stemmed from insufficient elevation of the flow ditch, resulting in minimal water reaching the restoration site. In 2023, we installed monitoring equipment to understand soil moisture levels and water circulation patterns, and in June of the same year, we submitted an application to the TRPA for repair work. However, TRPA's response time for applications is typically six months. In November 2023, a meeting was convened on site with TRPA representatives to affirm our restoration plan. As of May 2024, I awaited TRPA's approval to proceed with restoration efforts and am fully prepared to mobilize as soon as permission is granted.

### Public Comments

Gavin Feiger, League to Save Lake Tahoe said we are happy to see the developer, taking on the



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stream environment zone restoration because in 2021 that was not the case. Maybe whether or not the Colony Inn project was supposed to be developed is up to interpretation. That project is already underway with foundations already in. Statement from a city resolution from 2008: Once Colony Inn is demolished existing development will be transferred out of the SEZ and the entire site will be restored and permanently retired. Thereby furthering the goals of the Stateline/Ski Run Community Plan and attainment of TRPA's thresholds. In the staff report for that resolution continues to say that it is adjacent to the proposed Van Sickle Bi-State Park site and that the California Tahoe Conservancy may be interested in acquiring the property to improve access to the park property. Clarification on green space, we're not using that in our letter as a zoning designation but as a description of the site. Those parcels are zoned recreation, or the one parcel the back parcel in question today, the developer knew they were zoned recreation when he purchased it. In front of you today is a question of whether or not to rezone recreation for one of the last three remaining recreation zone parcels in the entire Tourist Core Area Plan, rezoning that for short term rentals. Our interpretation is that the site never should have been allowed to be developed to start with and we do not want to see any further development on the back parcel.

Response to comments:

Mr. Hitchcock said regarding the parts of this being rezoned, it was never intent that this parcel was not to be developed. It is zoned recreation and there's slew of uses that are permissible on the site today. I don't think the Tourist Core Area Plan ever intended recreational space to be left in open or green space as Mr. Feiger noted. TRPA's Regional Plan designation is tourist and so the zoning amendment itself is consistent with the underlying general plan designation.

### Committee Comments & Questions

Ms. Aldean asked when the Tourist Core Area Plan was adopted.

Mr. Hitchcock state 2013.

Ms. Aldean said then it was after the resolution and typically the resolutions are non-binding. She assumed that was a statement of intent from the City.

Mr. Hitchcock said correct. The front parcel has always been in the town center mixed-use district where multi-family, residential condominium is permitted at 25 dwelling units an acre.

Ms. Aldean made a motion to recommend Governing Board approval of the required findings including a finding of no significant effect for the adoption of proposed Tourist Core Area Plan amendments as provided in Attachment D.

Ayes: Ms. Aldean, Ms. Gustafson, Mr. Hoenigman, Ms. Leumer, Mr. Settlemeyer

Absent: Ms. Diss

**Motion carried.**

Ms. Aldean made a motion to recommend Governing Board adoption of Ordinance 2024-\_\_ amending Ordinance 2022-02 as previously amended to amend the Tourist Core Area Plan to include the additions and revisions as provided in Attachment B.

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Ayes: Ms. Aldean, Ms. Gustafson, Mr. Hoenigman, Ms. Leumer, Mr. Settelmeyer

Absent: Ms. Diss

**Motion carried.**

IV. UPCOMING TOPICS

Mr. Hester said next month, we have some informational presentations scheduled from Douglas County, focusing on the Barton Health District and area plan amendments. Additionally, there may be discussions regarding changes to their plan related to COVID and efforts to improve housing. These presentations offer a general direction of what to expect in the coming month, although details may vary.

V. COMMITTEE MEMBER REPORTS

None.

VI. PUBLIC INTEREST COMMENTS

None.

VII. ADJOURNMENT

Ms. Aldean moved to adjourn.

Mr. Hoenigman adjourned the meeting at 4:03 p.m.

Respectfully Submitted,



Marja Ambler  
Clerk to the Board

*The above meeting was recorded in its entirety. Anyone wishing to listen to the recording of the above-mentioned meeting may find it at <https://www.trpa.gov/meeting-materials/>. In addition, written documents submitted at the meeting are available for review. If you require assistance locating this information, please contact the TRPA at (775) 588-4547 or [virtualmeetinghelp@trpa.gov](mailto:virtualmeetinghelp@trpa.gov).*