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STAFF REPORT

Date: January 15, 2020

To: TRPA Governing Board

From: TRPA Staff

Subject: Housing Program Work Plan: California and Nevada Housing Legislative Overview

Summary and Staff Recommendation:

Informational item only. Staff will present the Housing Program Work Plan approved by the Local Government and Housing Committee in November 2019 and identify how the workshops proposed in the work plan lead towards Regional Plan implementation. Guest speakers will provide an overview of recent changes to California and Nevada housing legislation with discussion on how these changes relate to the Lake Tahoe housing environment.

Project Description/Background:

Pressure in recent years on housing in the Lake Tahoe Region has led a scenario in which market delivery of affordable homes for workers is greatly reduced. Rising construction costs, historical zoning practices, regional wage disparities and other factors have led to production of large, higher priced homes that are primarily purchased by second homeowners, with fewer housing units being produced at a price that local workers can afford for ownership or rental. Increasing demand for second homes overall has placed additional pressure on existing homes, driving up costs and rents for available properties.

The high cost of housing has impacts on both quality of life, the environment and the capacity to meet regional goals. On the South Shore estimates show that approximately 20-30 percent of workers commute into the Basin from outside the region, and in the North Tahoe-Truckee region the percentage is even higher. A large commuting population contributes to greenhouse gas emissions, lack of workers in the Basin to deal with emergency situations, and degrading community cohesion. The high cost of constructing housing compared with a low return on investment often limits the ability of developers to provide affordable units in the mixed-use, transit- and pedestrian-oriented, town center developments called for in the Regional Plan. This affects the Region's capacity to reduce reliance on the automobile and realize water quality and energy efficiency goals of redevelopment.

To better quantify and develop strategies to address the resident/worker housing issues in Lake Tahoe, the Tahoe Prosperity Center and the Mountain Housing Council have completed housing needs assessments and are in the process of developing housing action plans that cover the South Shore and the Placer County portion of Tahoe's North Shore. The action plans will outline and prioritize tools that local partners can use as they design local and regional strategies to provide sufficient workforce and local resident housing, either through provision of new housing, or preservation of existing housing stock for the local market.

Several agencies and organizations throughout the region, as well as the California and Nevada state legislatures have already begun identifying and implementing priority strategies and passing new legislation. Some of these strategies and legislation, however, cannot be fully utilized in the Lake Tahoe Region because they conflict with TRPA policies.

To help determine the most appropriate actions for TRPA to take, and to identify possible regional gaps in implementation of the action plans, the Housing Program Work Plan proposes a series of Governing Board workshops, beginning in January 2020. The workshops will focus on:

- Housing policies and actions underway at the state and local levels, with the goal of understanding how these policies affect the Lake Tahoe Region
- North and South Shore housing action plans
- Identifying appropriate regional actions that TRPA could take to facilitate the provision of affordable and workforce housing in the Region

At the January Governing Board meeting, representatives from local government and the Nevada Legislative Council Bureau will provide information for the first workshop, which will consist of presentations on the following topics:

- California Housing Legislative Overview
- Nevada Housing Legislative Overview

TRPA staff will also provide a short overview of the Housing Work Plan and future workshop topics.

Contact Information:

For questions regarding this agenda item, please contact Karen Fink, Housing Program Coordinator, at (775) 589-5258 or <u>kfink@trpa.org</u>.

Attachment:

A. Housing Program Work Plan

Attachment A

Housing Program Work Plan



HOUSING PROGRAM WORK PLAN



NOVEMBER 7, 2019

AGENDA ITEM NO. VIII.A

Introduction

Housing Program Work Plan

Over the last two years, recognition of a housing crisis in the Tahoe Region has grown. Nearly all local jurisdictions, as well as many other public entities, non-profit organizations and citizen-based groups have initiated steps to tackle different aspects of the problem. The housing problem is complex – there is no single factor that is impeding housing production or preservation. Instead a multitude of factors, such as construction costs, historical zoning practices, tourism pressures, uncertainty in the building process, social perceptions, technology-driven shifts in employment and wages and many other causes layer one on top of the other to drive housing costs up and market delivery of new units down. The Tahoe Regional Planning Agency is committed to partnering in the collaborative effort to unravel these layers, identifying regional gaps, and committing to leadership and participation by the agency in order to further implementation of the Regional Plan.

Two collaborative organizations, the Mountain Housing Council on the North Shore and the Tahoe Prosperity Center on the South Shore have taken the lead in their respective geographic regions to convene partners and pool funding to develop Housing Needs Assessments and Housing Action Plans. With nearterm deliverables planned for between October 2019 and June 2020, these reports will provide critical information to decision-makers, such as the specific types and amounts of housing that are lacking in the region. The Housing Action Plans will identify a suite of prioritized strategies for local agencies and organizations to consider. TRPA will engage with the public and its partners on implementation of these strategies.

In the meantime, California has been rapidly approving legislative changes that require local governments to streamline the approval process and lift zoning restrictions on smaller homes and other types of achievable housing. It seems that every few months a new housing bill is signed by the California Governor, and Nevada too has begun enacting housing legislation. Also, local governments on the California side have applied for and received housing planning grants through California's SB 2 legislation. El Dorado County, the City of South Lake Tahoe, and Placer County are using these funds to study potential changes to their Housing Elements and codes that would allow for more flexibility in constructing accessory dwelling units, streamlining of the development approval process for affordable housing, and providing objective design and development standards. The local jurisdictions will be ready to approve code changes in the Spring of 2020 and may look to TRPA for support in amending Area Plans or in adopting similar policies to provide consistency for project applicants.

At a regional level, there does not yet exist an organization that convenes partners and stakeholder groups from all sides of the Lake to share information and ideas, or to set regional housing goals. Other efforts, such as the Mountain Housing Council, the 9-County Bay Area Region "CASA Commitment", and the TRPA's recent Short-Term Rental Neighborhood Compatibility Working Group are successful models of bringing disparate parties to the table to recognize and commit to addressing a problem. The Tahoe Regional Planning Agency Governing Board recently renamed its Local Government Committee the "Local Government and Housing Committee." This committee is poised to take on such a role.

The goal of this Work Plan is to set out a robust process for informing and engaging TRPA's Governing Board, partners and the public on current housing issues and potential solutions, followed by implementation of identified strategies resulting from this process (implementation will constitute a second

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phase). Through the Work Plan, TRPA will highlight the activities of different entities around the Basin in provision of housing, identify gaps, and work with partners to fill those gaps. As housing issues constantly evolve and change, this process will be on-going and iterative. This Work Plan addresses issues which are knowable now, while leaving flexibility for inevitable changes due to economic, technological, political and other shifts. TRPA expects to refine its plans as it continues to expand its understanding.

Summary

Element 1 – Overview of Existing Activities. TRPA staff provided an initial overview of Housing Initiatives in the Basin at the February 2019 Governing Board meeting. Staff will present an update to the Local Government and Housing Committee and TRPA Governing Board, highlighting recent accomplishments by Tahoe Basin entities; a high-level overview of South Shore and North Shore Needs Assessment outcomes; and TRPA's Work Plan (this document) covering the next seven months. Key outputs of the Work Plan will be to clearly define how TRPA can work collaboratively on housing and broader concerns that affect housing, such as obtaining support for multi-objective achievable housing projects.

Products:

- Local Government Committee Presentation Housing Work Plan, Overview of Housing Actions in the Basin
- TRPA Governing Board Presentation Housing Work Plan, Overview of Housing Actions in the Basin
- Approved Housing Work Plan

Timing: November 2019

Element 2 – Understanding the Causes, Consequences and Solutions. Launch a series of Governing Board meetings that also serve as public workshops to discuss housing in the regional context. Partner with local organizations such as the Mountain Housing Council, Tahoe Prosperity Center, Saint Joseph Community Land Trust, Tahoe Home Connection, and other groups to highlight our current knowledge of the issues, present existing work on proposed solutions, and to develop appropriate, additional public outreach strategies. Consider bringing in guest speakers or outside groups. Actively engage the public and stakeholders to make sure everyone is operating from a shared base of knowledge, including traditionally hard-to-reach groups. Make workshops available by video on TRPA's website after the meetings.

Products:

- Full South Shore/North Shore Needs Assessment and Housing Action Plans Presentation
- Mountain Housing Council ADU Policy Paper Presentation
- CA and NV Statewide Legislation Presentation
- Local Government Policy Changes Under Consideration
- Best Practices Presentations (ADUs, FAR/Density, Housing Types, Streamlining, Other Regional Approaches, etc.)



Timing:

January 2020: Needs Assessment and Housing Action Plans Presentation to GB Mountain Housing Council Presentation of ADU Policy Paper to GB

February 2020: CA and NV Statewide Legislation/Local Government Policy Changes Presentation to GB

Updated November 19, 2019

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Element 3 – TRPA Housing Program Action Plan. As the Housing Action Plans from the various partners emerge, engage with partners to develop a TRPA Housing Program Action Plan specifying TRPA's work toward implementing the Regional Plan and regional housing goals. The housing needs assessments from both North Shore and South Shore, as well as TRPA's Housing Program Action Plan will be aligned to the core principles of the Regional Plan to drive housing action.

Across the United States, and particularly in the West, states, municipalities, and regions are changing zoning and land use policies to accommodate more diverse housing types and to correct jobs/housing imbalances. Depending on the unique characteristics of communities, different places focus on different mixes of new construction, preservation of existing housing, and protection of vulnerable communities. Already in Tahoe two community groups have emerged to open Tahoe's second home stock to local renters. Responding to the greatest gaps in need to housing Tahoe workers who cannot now find or afford housing and in consideration of Tahoe's extremely sensitive environment and limits on development, it is important that we find ways to incentivize much of the remaining new allowable development to be affordable, moderate, or achievable housing. TRPA has the opportunity to take the lead on aligning, organizing, and implementing region-wide reforms that incentivize these housing types to complement local government and other ongoing efforts.

As described in Element 2, staff will conduct public workshops with the TRPA board and others to fully discuss the different types of reforms that could be appropriate for our region, and to facilitate a discussion on the potential impacts of different policy options on affordable-achievable housing supply, neighborhoods, the environment, and other basin concerns. Laying the groundwork in this manner will allow the board to a) act quickly and with full information as local jurisdictions bring Area Plan amendments forward; and b) determine which, if any policy changes should be enacted at the region-wide level. Staff strongly advocates being part of the regional solution to the extreme undersupply of affordable-achievable workforce housing with supportive policy and action as long as the actions fall within the core principles of the Regional Plan and its environmental guidelines. Part of the solution will be collaboratively developing ways to assure new or unlocked workforce housing units are permanently preserved for workers and local residents.

Products:

• Approved TRPA Housing Program Action Plan

Timing:

• July 2020.

Element 4 – Support and Publicize Current Incentives and Action Plan. TRPA's

Development Rights Strategic Initiative was a milestone in opening the door for more sustainable redevelopment. Helping the public and stakeholders to understand and utilize these existing incentives is the next step. This element helps publicize current incentives, creates user-friendly on-line platforms and coordinates with local jurisdictions to streamline multi-agency permitting processes. This element will also include broadly informing and educating stakeholders and the public on the specific items from the new TRPA Action Plan. It is supported by the Housing Navigator/Ombudsperson who helps affordable, moderate, and achievable housing project applicants through the permitting process.



Products:

- Deed-restriction webpage
- Continue to upgrade parcel tracker and on-line tools that help applicants understand permissible uses and allowable densities, parking, etc. on individual parcels.
- Biennial reports to GB on outcomes from Development Rights Strategic Initiative.
- Workshops with Real Estate Agents, others to publicize incentives.
- Other items from Action Plan as they are determined.

Timing:

• On-going

Element 5 – Materials and Outreach. Regardless of the priorities identified as part of TRPA's Action Plan, TRPA will create fact sheets, maintain TRPA's housing webpage, and provide materials to the public and developers to advertise the type of housing needed and current incentives. TRPA will also draw on data from Research and Analysis and existing reports to create materials that illuminate aspects of the Basin's housing opportunities and challenges for specific audiences.

Products:

- Housing Webpage updates
- Fact Sheets/Infographics

Timing:

• On-going



Budget

Staff will complete this work in-house, with a small amount of contract budget for printing and design of specialized materials. Budget comprises staff time for the roles outlined below.

Contract budget:

\$5,000 for design, printing and distribution of fact sheets and meeting notices. Optional: \$10,000 for housing renderings and construction details specific to Tahoe.

Team

Housing Program Lead: Karen Fink

- The Housing Program Coordinator will oversee this Work Plan and manage staff assisting on specific tasks.
- Serve in the <u>Housing Ombudsperson</u> role, assisting affordable, moderate, and achievable project applicants to navigate the permitting process, including:
 - Assist potential affordable-achievable housing applicants to understand what is allowed on their property and how to obtain bonus units.
 - Serve as a contact for the applicant through the permitting process to help marshal resources or ideas as needed to facilitate projects.
 - Maintain a list of common obstacles experienced by applicants in building affordable, achievable, and moderate housing.
- Attend Leadership meetings, advise management on upcoming changes to state and local legislation related to housing, and on possible directions for TRPA related to housing.
- Work to align the Housing Program Work Plan with other key agency priorities, understand and communicate those priorities to the public and agency staff.
- Articulate TRPA's current stance on housing and promote existing TRPA housing incentives at public forums.
- Integrate statewide and local housing legislation changes and innovations into TRPA processes, as appropriate (via the Local Government and Housing Committee and TRPA Governing Board)
- Support basin-wide efforts to provide the appropriate amount of housing for the Region.
- Coordinate with Transportation, Research and Analysis, and Current Planning to provide input and support for related initiatives.

Housing Research Lead (1/4 of staff person's time): Rebecca Cremeen, Michael Conger or Alyssa Bettinger

• This person would research best practices for housing policies and assist with preparation and delivery of governing board presentations and staff reports.

Housing Intern: As needed

• Collect and organize data on housing in Tahoe; research best practices; create fact-sheets

Communications: Sarah Underhill

• Create consistent-looking fact sheets, reports and online content.

Other Departments:

• Draw on other department staff periodically such as Research and Analysis to keep data sources and online tools up to date.

Represent TRPA at Mountain Housing Council, Tahoe Prosperity Center, other public forums:

- Mountain Housing Council, Tahoe Prosperity Center Quarterly Meetings: John Hester, Chief Operating Officer -- lead.
- Karen Fink lead on public forums; attend TPC and MHC Work Groups, alternate to John Hester for quarterly meetings, back-up for quarterly MHC and TPC meeting attendance.

Stakeholder Engagement

Stakeholder engagement is essential to garnering support for any proposed policy changes that will further support implementation of the Regional Plan. As noted above in Element 2, stakeholder feedback and participation will be an important part of the process. It will also be critical to work with those communities most in need of housing, and most affected by any changes to housing patterns.

Board and Committee Roles

- Local Government and Housing Committee Staff will vet action proposals with LGHC before taking them to the Governing Board for approval.
- <u>Governing Board</u> Presentations and workshops on housing needs, legislation, and best practices will be in front of the full governing board. Work Plan and commitment to TRPA Housing Program Action Plan will come to the full board for approval after a recommendation for approval from LGHC.



Timeline

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Housing Work Plan Timeline	Dec- 19	Jan- 20	Feb- 20	Mar- 20	Apr- 20	May- 20	Jun- 20	Jul- 20
Housing Work Plan, Overview of								
Housing Actions in the Basin								
Presentation (LGHC/GB)								
South Shore/North Shore Needs								
Assessment and Housing Action Plans								
Presentation (GB)								
Mountain Housing Council Presentation								
of ADU Policy Paper (GB)								
CA and NV Statewide Legislation								
Presentation (GB)								
Local Government Policy Changes								
Under Consideration (GB)								
Best Practices Presentations (ADUs,								
FAR/Density, Housing Types,								
Streamlining, Other Regional								
Approaches, etc.) (GB)								
TRPA Housing Action Plan Presentation								
and direction (LGHC/GB)								