



COUNTY OF PLACER
Community Development/Resource Agency

Michael J. Johnson, AICP
Agency Director

**PLANNING
SERVICES DIVISION**

EJ Ivaldi, Deputy Director

MEMORANDUM

TO: Honorable Board of Supervisors

FROM: Michael J. Johnson, AICP
Agency Director

By: Crystal Jacobsen, Supervising Planner

DATE: April 21, 2014

SUBJECT: TAHOE BASIN COMMUNITY PLAN UPDATE WORKSHOP

ACTION REQUESTED

1. Receive a status update on the Tahoe Basin Community Plan Update.
2. Receive a status update on implementation of the Tahoe Basin Community Plan Update and workshop to address challenges, opportunities and potential interim steps prior to implementation.

There is no fiscal impact associated with these actions; however the Tahoe Basin Community Plan Update has been budgeted and totals \$569,500 for the FY 2013-14 and FY 2014-15.

BACKGROUND

Since 2011, staff has been working with the Tahoe community on the Tahoe Basin Community Plan Update work program. After developing and launching a public outreach strategy in 2012, staff continues to work with the Tahoe Regional Planning Agency (TRPA) on the coordination of the County's Community Plan Update, and has continued to move forward with the overall work program. This report provides the Board with staff's progress on the work program to date.

Over the last year, staff has been exploring constraints to, and resources needed to implement the TRPA Regional Plan and the Placer County Community Plan visions, and to help drive environmental redevelopment in North Lake Tahoe. This report also provides an overview of staff's implementation efforts.

As directed by the Board at its January 21, 2014 Interim Ordinance Hearing, staff has explored options to expedite the completion of certain Community Plans, as well as to provide alternative planning processes for development proposals related to certain allowed uses within the Town Centers of Tahoe City, Kings Beach, and North Stateline. Per the Board's direction, the options for alternative planning processes include:

- Public noticing process for allowed uses in Town Centers
- Design review process modification
- Special Use Zoning Map Overlay
- Reassigning staff to expedite the Kings Beach Area Plan

COMMUNITY PLAN UPDATE STATUS

Public Outreach

Since staff's last status report to the Board in October 2013, staff has finalized community visioning for the Community Plan Update, although public outreach efforts continue.

Over the summer of 2013, staff focused on visioning efforts within the TRPA Town Centers of Kings Beach and Tahoe City. Staff conducted many public meetings, workshops, and a community vision Charrette (a concentrated series of workshops) to outreach to community stakeholders, gather information and seek feedback regarding the future vision for the communities of Tahoe City and Kings Beach. The public feedback received resulted in the preparation of the Kings Beach Vision Plan and a Tahoe City Visioning Options Diagram and Planning Principles. These visioning documents, along with all information gathered and comments on the visioning process, have been posted to the Community Plan Update website and have been made available to the public.

Following the community visioning efforts, staff conducted a series of topical policy public workshops over the fall of 2013. These public workshops were intended to seek public input on issues related to various elements of the Community Plan, including: conservation; land use and development potential; recreation and public parks and facilities; and transportation and circulation. The feedback received from the topical policy workshops resulted in the preparation of the Tahoe Basin Community Plan Policy Framework document that was released in December 2013 for public comment. This document includes guiding goals that are intended to frame-up specific Community Plan policies, which will be folded into the Community Plan policy document.

Staff also continues to provide regular updates to TRPA and the North Tahoe Regional Advisory Committee (NTRAC) on the Community Plan Update, and continues to hold Town Hall Meetings to report on the progress of the Community Plan Update and to seek broad community input and feedback. Staff provided a report to the NTRAC at its regular meeting in January 2014, and held a Town Hall Meeting on January 29, 2014 at the North Tahoe Event Center in Kings Beach. In addition, staff held a Planning Commission public workshop on October 30, 2013 in Kings Beach, where staff sought feedback on proposed land use changes and height allowances, and also reported on the Kings Beach and Tahoe City visioning efforts. As progress is made on the Community Plan documents, staff will conduct Planning Commission public workshops to seek further feedback from the Commission, and to provide an opportunity for the public to comment before the Commission.

Community Plan Document Development & Coordination with the TRPA Regional Plan

Since the last status report to the Board in October 2013, staff continues to coordinate with the TRPA on the Community Plan Update to ensure that the Community Plan documents conform to the TRPA Regional Plan and Code of Ordinances. Staff has focused efforts on developing the Community Plan policy document and four Development Codes (district standards/design guidelines) for the four Plan Areas within the Community Plan boundary.

The preparation of the Community Plan policy document is being funded through grant funds awarded to the Tahoe Basin Partnership for Sustainable Communities, of which Placer County and TRPA are members. The grant funding has also included the preparation of an Economic Market Analysis for the North Tahoe Basin, a Kings Beach Vision Plan, and Tahoe City Town Center visioning materials, which are intended to inform the Community Plan Update. County General Fund revenues have been allocated to the preparation of four Area Plan Development Codes, a Parking Management Plan, and an Environmental Impact Report/Environmental Impact Statement (EIR/EIS). To date, the following planning documents have been finalized and published to the County's website:

- Tahoe Basin Community Plan Update Existing Conditions Report
- Economic Market Analysis (included as an appendix in Existing Conditions Report)
- Kings Beach Vision Plan
- Tahoe City Town Center Visioning Options Diagram and Planning Principles
- Tahoe Basin Community Plan Policy Framework

Since receiving public comment on the Tahoe Basin Community Plan Policy Framework document, the Administrative Draft Review Community Plan Policy document has been prepared and is currently being reviewed internally before being released to the Community Plan Update Technical Advisory Committee (TAC) for review. Staff will be meeting with the TAC to address TAC member (Special District) comments. Following TAC review, staff will release the Public Review Draft Community Plan policy document to Plan Area Teams (citizen advisory groups), and will publish the Public Review Draft Community Plan policy document for a 45-day public review period. During that time period, staff will be conducting public meetings with the Plan Area Teams to review Team member comments and seek feedback.

With the Board's December 10, 2013 approval of a contract with consultants Dyett & Bhatia for the preparation of the four Development Codes (Area Plans) intended to implement the Community Plan policy document, staff has been working with the consultant to draft Area Plans. This effort includes initial focus on preparation of the North Tahoe East Area Plan for the communities of Kings Beach and North Stateline. The preparation of this Area Plan is intended to serve as a pilot, or protocol, for preparing the remaining three Area Plans, including the West Shore Area Plan, Greater Tahoe City Area Plan, and the North Tahoe West Area Plan (Carnelian Bay and Tahoe Vista). Staff has received the first copy of the Administrative Draft North Tahoe East Area Plan (prototype) for County staff review. Following staff's review, the Administrative Draft Area Plan will be completed and released internally and to the TAC to ensure technical accuracy. It is anticipated that the first Public Review Draft Area Plan – the North Tahoe East Area Plan - will be released for public comment in early summer 2014. During this time, staff will work to prepare the remaining three Area Plans and will also hold public meetings with the North Tahoe East Plan Area Team to review Team member comments on that Area Plan.

Parking Management Plan

In response to public comments received at many of the Community Plan Update visioning exercises, the County is preparing a Parking Management Plan to look for community-wide solutions to address parking issues in the Basin. Many community members have expressed concern with the lack of parking within the commercial core areas, the need for flexibility and allowances for shared parking, and the need to update the parking standards to be more consistent with current parking practices in other mountain/resort area jurisdictions. The Parking Management Plan is a two-part plan that includes project level analysis for the expansion of the Grove Street Parking Lot in Tahoe City, as well as programmatic level analysis for the development of a parking management strategy and new parking standards that will be incorporated into the Area Plan Development Codes. This effort is being led by the County's Department of Public Works, with Planning Services Division coordination on the parking management strategy and preparation of new parking standards. The County plans to perform the effort through the retention of a consultant having expertise in parking management. The proposed \$70,000 work plan includes:

- Project Management and Meetings
- Review of County Parking Standards/Ordinances
- Review of Existing Studies

- Parking Analysis Examination which includes parking accumulation counts in Tahoe City and Kings Beach on peak parking use days this summer, including estimates on future needs (i.e. - Hendrikson, Kings Beach Town Center)
- Report Preparation/Presentation including preliminary drawings of potential parking facilities in Tahoe City (Grove Street) and Kings Beach
- Environmental Review and Preliminary Engineering Design (not scoped, budgeted or contracted until previous scope items completed)

The anticipated schedule is to commence the effort in May 2014 and provide final written products by the end of 2014. The effort will include up to six public meetings to incorporate public feedback and buy-in on proposed parking management strategies and parking ordinances.

Environmental Analysis

As outlined in the Community Plan Update work program approved by the Board in July 2011, County staff is anticipating the preparation of an Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the Community Plan Update. Funding for this component of the work program is included in the Planning Services Division FY 2014-15 proposed budget. To begin the environmental review process, staff has recently solicited professional services proposals and selected a consultant for the preparation of the EIR/EIS.

The EIR/EIS will evaluate impacts related to the Community Plan policy document, the land use diagram, Area Plan zoning districts, "opportunity sites" as catalysts for environmental redevelopment, the maximum allowances for height and density in the TRPA Regional Plan, as well as associated amendments to the TRPA Regional Plan and Code of Ordinances. The development standards and design guidelines being drafted in the Area Plans are intended to implement the Community Plan, and therefore future environmental analysis will be tiered off the EIR/EIS.

Work Program Budget

The preparation of the Tahoe Basin Community Plan is being funded in part through grant funds awarded by the California Strategic Growth Council to the Tahoe Basin Partnership for Sustainable Communities. Approximately \$250,000 of the grant funds have been used to offset the Community Plan Update work program costs to prepare the following documents:

- Community Plan Update Policy Document
- Existing Conditions Report
- Economic Market Analysis
- Kings Beach Vision Plan
- Tahoe City Town Center Visioning Materials
- Mixed-use Development Standards for Commercial Cores
- Area Plan Design Graphics

In December 2013 the Board approved a \$120,000 contract with consultants Dyett & Bhatia to provide technical assistance to finalize four Development Codes for the four Plan Areas within the Community Plan boundary. The \$120,000 includes \$100,000 general fund dollars that were allocated in Planning Services Division FY 2013-2014 budget and \$20,000 that were allocated in the Tahoe County Executive Office FY 2013-2014 budget.

Other funding dedicated to Tahoe Basin Community Planning efforts include \$70,000 in supporting General Fund dollars allocated in County Executive Office Community Agency and Support FY 2013-2014 budget for the preparation of a Parking Management Plan. Additional funds are needed to prepare the environmental analysis for the Community Plan Update. As identified in the Community Plan Update work program approved by the Board in 2011, Planning Services Division initially

anticipated \$350,000 for the preparation of an EIR/EIS, however after further review of the EIR/EIS scope to include evaluation of impacts associated with opportunity sites as catalysts for environmental redevelopment, the total funding needed for the EIR/EIS is \$379,500. Funding for the EIR/EIS is included in the Planning Services Division FY 2014-15 proposed budget. In an effort to begin this component of the Community Plan Update immediately, staff is proposing to utilize \$61,000 in General Fund dollars allocated in the Tahoe County Executive Office FY 2013-2014 budget and has prepared a proposed contract with consultant, Ascent Environmental, Inc. to begin this work in May 2014. Accordingly, a contract proposal to begin this effort is included on the Board's April 22, 2014 Board Agenda. Following approval of Planning Service Division's FY 2014-2015 budget, staff will bring forward a second contract proposal for the remainder of the costs associated with the preparation of the EIR/EIS.

The following table provides a breakdown of total contract costs associated with the preparation of the Community Plan documents:

Task	Funding Source	Funds
Preparation of Community Plan Policy Document, Visioning Materials and Background Materials	Tahoe Basin Partnership for Sustainable Communities Grant (CA Strategic Growth Council Planning Grant Funds)	\$250,000
Technical Assistance for Preparation Development Code/Area Plans (4)	Planning Services Division (\$100,000) with Supporting CEO Funds (\$20,000)	\$120,000
Parking Management Plan and Preparation of Parking Standards*	Supporting CEO Funds	\$70,000*
EIR/EIS	Planning Services Division with Supporting CEO Funds to Initiate Contract	\$379,500
Total County Expenditures		\$569,500
Total Contract Costs		\$819,500

*Parking Management Plan includes two-part plan (project level and programmatic level analysis); only programmatic level analysis (development of parking management strategy and parking standards) will be incorporated into Community Plan Update process.

Next Steps/Timeline

As noted above, the Administrative Draft Community Plan policy document will be released for TAC review in April 2014 and a TAC meeting will be scheduled to address TAC member comments. In addition, over the next few months, staff will be releasing the Public Review Draft Community Plan policy document to Plan Area Teams and to the public for a 45-day review. During this time, staff will be holding public meetings with the Plan Area Teams to review Team member comments.

Over the next few months, staff will also continue efforts to prepare Area Plans for each of the four planning sub-areas, beginning with the North Tahoe East Area Plan. Administrative Draft Area Plans will be released to the TAC for feedback, and TAC meetings will be conducted to review TAC member comments. Following TAC review of the Administrative Draft Area Plans, Public Review Draft Area Plans will be finalized and released to Plan Area Teams and to the public for further review and comment.

After the release of the Public Review Draft Community Plan policy document and/or draft Area Plan Development Codes, staff will work to launch environmental analysis of the Plan. Preparation of an EIR/EIS will begin in late spring 2014, and Planning Commission deliberations are anticipated to begin in late 2014 on the Draft Plans and Draft EIR/EIS. Following Planning Commission and Board deliberations, the Community Plan Update will be submitted to TRPA for conformance review and approval.

Staff is aware of broad-based community support to complete the Tahoe Basin Community Plan Update as soon as possible in order to take advantage of investment opportunities for environmental redevelopment within the North Tahoe communities. As outlined and approved by the Board in 2011, it was anticipated that the Community Plan Update work program would be a three- to five-year effort, and staff has been working within a schedule that assumes Board approval and TRPA submittal by late spring or early summer 2015. A detailed timeline reflecting the anticipated schedule for draft and final document release and public deliberations is included in Attachment 1. Additionally the following table provides a general overview of the remaining timeline:

Administrative Draft Documents	Spring 2014
Public Review Draft Documents	Summer 2014
Commence Environmental Analysis	Spring 2014
Planning Commission Deliberations on Draft Documents	Fall/Winter 2014
Board of Supervisors Deliberation on Final Documents	Spring 2015
TRPA Submittal/Conformance Review	Spring 2015

It is important to note that this schedule is aggressive and staff will continue to make every effort to maintain this schedule; however, there are multiple variables that need to be considered that may impact staff's ability to maintain this schedule, including:

- any need or desire to re-engage Plan Teams (citizen advisory groups), which would prolong the review time of the documents and impact the schedule;
- the complexities and potential delays that come with multi-jurisdictional review and deliberation of draft and final documents;

COMMUNITY PLAN IMPLEMENTATION

Parking Improvements

As noted above, the County is undertaking the preparation of a Parking Management Plan for the North Lake Tahoe Basin area, which includes a project level analysis of the Grove Street Parking Lot in Tahoe City. The Parking Management Plan will also analyze current (and estimates for future needs) parking deficiencies in the Town Centers of Tahoe City and Kings Beach in order to better identify the potential for improvements to circulation and development of new parking. Such an analysis is a critical component of implementing the Area Plans, including meeting Pedestrian Transit-Oriented Development Goals and attaining environmental redevelopment goals.

Specifically in Tahoe City, the analysis will tier off a previous study completed by the former Redevelopment Agency in 2001, which identified the development of several lots, including the 90-space expansion of the existing Grove Street Parking Lot, as well as its connection to existing private parking lots to the west. The joint purchase of the Tahoe City Golf Course, and Memorandum of Understanding (MOU) by the partners, Tahoe City Public Utility District (TCPUD), Placer County, North Lake Tahoe Resort Association (NLTRA), and the Truckee Tahoe Airport District has positioned the Grove Street Parking Lot project for advancement in the short-term, should the study confirm previous assumptions for new parking in the Town Center. Recently, the Tahoe City PUD completed a Land Coverage Verification analysis through TRPA, which demonstrates four additional acres of high capability land onsite. While the high capability land does not extend toward the Grove Street Parking Lot site, it is possible that coverage could be relocated to that site to facilitate the project. It is also possible that the Golf Course MOU partners and private property owners adjacent to Grove Street could form partnerships for joint use of parking, which could reduce blight and the overall parking development need, as well as improve circulation throughout the downtown corridor.

Opportunity Sites and Catalyst Projects

A key goal of TRPA's Regional Plan, and by extension, Placer County's Area Plans, is to focus development in the Town Centers (commercial cores) of Tahoe City and Kings Beach. Both

communities have provided valuable input regarding future development types and patterns, which is included in Vision Plan documents that serve as background reports for the Area Plans.

The County is actively working to seek both public and private partnerships so that environmental redevelopment projects in both Town Centers can be implemented shortly after the Area Plans are improved. "Environmental redevelopment" is a term coined during TRPA's Regional Plan Update, and acknowledges the linkage between the Tahoe Basin's economy and the environment, noting that new projects will meet strict environmental standards onsite, as well as play a role in enhancing long-term sustainability of economic goals. Of particular focus in Town Centers adjacent to the lake are redevelopment and infill projects that also provide water quality improvements and create communities that are pedestrian in scale and improve bike and transit linkages, resulting in air quality improvements. Even though not all "Opportunity Sites" will necessarily be categorized as "Catalyst Projects", they remain important to environmental redevelopment and the economic sustainability of the Town Centers. "Catalyst projects", have been locally defined as those of a scale to produce significant economic development impact, resulting in job growth and additional private sector investment, and having a ripple effect spreading throughout the community. Given the amount of inquiry activity with Town Center commercial properties, a significant immediate opportunity to partially implement the Area Plans exists today. Positive momentum can be lost however, if the County is not able to resolve the issue of land development costs in the Tahoe basin. This is discussed in greater detail in the following section. Other important but less impactful "opportunity sites" have also been identified, both in the Tahoe City and Kings Beach Vision documents, and through other outreach efforts.

In Tahoe City, effort has focused on concepts identified through a series of collaborative discussions with stakeholders (property owners, business owners, business and community organizations) interested in various economic development catalyst projects on public and private property. Teams have been assembled to meet on short-, mid- and long-term projects, including the Hendrikson site, Tahoe City Golf Course, Commons Beach buildings, existing property renovations via small business façade loans and waterfront improvement.

In Kings Beach the current focus is on implementation of the Kings Beach Commercial Core Improvement Project. County staff also holds regular discussions with the North Tahoe Business Association and other stakeholder groups regarding opportunity sites and catalyst project prospects in Kings Beach including the former Redevelopment Agency-owned sites, the Kings Beach Town Center (a.k.a. B.B.L.L.C.), publicly held sites identified in the Kings Beach Vision, and other privately-held opportunity sites. The Kings Beach Town Center is considered a catalyst project with the potential for new lodging, retail and office space, a true mixed use project creating jobs and providing the much needed support to the existing business community.

In order to facilitate the ability for potential catalyst projects to move forward in a timely manner following Area Plan approval, the environmental analysis for the Area Plans will consider a program level project envelope for identified "sites" within Town Centers. Should the Board support this level of environmental analysis with the Community Plan Update, it would provide for expedited implementation of the Area Plans and environmental redevelopment goals, in that it would allow development projects to "tier off" the Area Plan EIR/EIS, saving time and money for project applicants.

Land Use Commodities Barrier to Environmental Redevelopment

As the County moves forward to implement the goals of the TRPA Regional Plan and the Placer County Area Plans, one of which is the high costs of development due to the uncertainties of project approval via cumbersome regulation, there remains another significant barrier to environmental redevelopment and long-term economic health in Placer County's Town Centers. That barrier is that,

prior to project approval, applicants in the Tahoe Basin must have various land use commodities secured. Commodities required to develop a project include:

Coverage: All development projects need coverage. The amount of coverage allowed on a particular site is a function of soil classification, with some soil types such as those found in stream environment zones (SEZ) allowing little or no coverage, to Class 6 soils on which 50 percent of a parcel can be covered with impervious cover.

Commercial Floor Area (CFA): Allocated by TRPA to jurisdictions through the Area Plan process, one foot of commercial floor area is required for each square foot of commercial project development. Placer County currently has over 72,000 feet of CFA available for projects in the Tahoe Basin, and can access up to an estimated 45,000 more square feet after the Area Plans are adopted.

Tourist Accommodation Units (TAU): Defined by TRPA as "a unit, with one or more bedrooms and with or without cooking facilities, primarily designed to be rented by the day or week and occupied on a temporary basis," one TAU is required for each "unit" of hotel and motel development. TAUs were capped in 1987 at the number in existence at the time the TRPA Regional Plan was approved, except for an elaborate system of 200 bonus units available for distribution by TRPA. An estimated 12,000 TAUs exist basinwide, many of which are tied up in existing blighted development, mostly on the South Shore. TRPA estimates that roughly 1,300 TAUs currently exist in Placer County, but based on data remitted quarterly by Transient Occupancy Tax ratepayers, less than half of those units currently function as hotels and motels. The balance is held "on paper," or are functioning as low cost housing. TRPA's new Regional Plan attempts to incentivize the transfer of TAUs out of stream environment zones located in less developed areas and into Town Centers.

Residential Units of Use (RUU): RUUs, or Residential Allocations, have been distributed by TRPA to jurisdictions on an annual basis since 1986. In 2002, TRPA added an environmental performance component to the distribution, which requires jurisdictions to perform and be scored on required tasks under the areas of TRPA permit compliance, transit level of service, and Environmental Improvement Project implementation in order to "earn" allocations in addition to an annual flat base number RUU allocation. Placer County staff was successful earlier this year in convincing the TRPA Governing Board to reconsider a newly proposed revision to the system that would have focused the environmental performance only on costly water quality improvements, and would have maintained a base allocation system derived from historical jurisdiction demand. TRPA's Advisory Planning Commission (APC) was tasked with initiating a fresh review this month and is expected to have a recommendation at least on the environmental performance component by July 2014. Other concepts being considered are reducing the water quality focus, lowering excessive targets, and adding a menu of incentives from which jurisdictions could choose, based on funding availability and community interest. TRPA's Code allows existing RUUs to be transferred to TAUs or CFA.

Placer County has a limited number of TAU properties that are outside Tahoe City and Kings Beach. Transferring TAUs from another jurisdiction requires the "sending" jurisdiction to approve the transfer, which can include additional exactions from that jurisdiction. The "cost" of a TAU is volatile and often includes fair market purchase of blighted motel property, demolition and restoration of the land which significantly drives up the cost of a new lodging project. Placer County owns 8 TAUs it secured through the grant for the Community House project last year. The Successor Agency has 8 TAUs associated with blighted properties that were purchased and demolished. TRPA's Code currently allows TAUs to be transferred to CFA, but does not allow CFA to be transferred to TAUs. The cost and lack of availability of TAUs in Placer County dramatically increases project costs and risk, which staff believes has had, and will continue to have, a negative impact on investment and environmental redevelopment potential if the County doesn't assist to resolve.

Opportunities for Change

In addition to the current TRPA Advisory Planning Commission's review of the RUU distribution system, there are two analyses underway which could partially alleviate the shortage of available TAU commodities in Placer County.

Tahoe Prosperity Center (TPC): A non-profit collaborative that promotes initiatives that support the economic and environmental health of the Tahoe Basin, the TPC is undertaking an analysis of TRPA's land use commodities system and proposes to have recommended solutions by the end of the year. Placer County has a representative on the TPC Board and the Commodities Review Committee. Possible solutions could include TRPA Code of Ordinance changes to allow for CFA to TAU transfer, higher transfer ratios for removal of TAUs from non-sensitive land, a softening of jurisdictional transfer authority, and advocacy for state and federal funding sources to purchase dilapidated motels, bank units, and rehabilitate land.

Placer County Area Plans: The environmental analysis being developed to support completion of the Area Plans will analyze the conversion of CFA to TAUs within Placer County in order to reduce reliance on accessing commodities resources in external jurisdictions. Similar to the concepts being considered by the Tahoe Prosperity Center, this could free up some TAU resources, but is unlikely to supply the total TAU demand over 20 years.

Funding for Implementation

With the elimination of the Placer County Redevelopment Agency, there is a gap in funding to assist private sector developers who want to develop in lakeside communities. While regulatory challenges have been partially addressed, and there is the opportunity to make further improvements through Area Plan and other code changes, developing in the Tahoe Basin remains much more expensive than elsewhere in California. This is most notably demonstrated in the amount of development that has occurred in eastern Placer County outside the Tahoe Basin (i.e., Northstar, Martis Valley), while redevelopment and new development inside the basin has been almost non-existent for decades. This circumstance has negative impacts on a variety of sectors, including retail, tourism, housing and social. Taking the TAU issue as one example in which development costs are substantially more expensive, the development of lodging property in the Tahoe Basin costs more than development of a similar property in Northstar or Squaw Valley. By way of discussions with developers familiar with Tahoe Basin projects, the County has been told that the "per key" cost to develop a property elsewhere in Tahoe Region of Placer County is in the range of \$150,000 - \$170,000, versus \$250,000 - \$270,000 per key in the Tahoe Basin. This cost differential to secure TAUs, combined with the cost to carry while working through a cumbersome regulatory process, have resulted in no new lodging within Placer County's Tahoe Basin Town Centers for decades.

In order to achieve desired environmental redevelopment and economic sustainability goals, the County will most likely need to play an active role to incentivize private investment. While sources are less abundant than they were under the Redevelopment Agency, some options exist or could be developed. County staff seeks Board direction to further develop these funding strategies. County investment in catalyst projects is likely to yield significant return in property, sales, and transient occupancy tax revenues, as well as to sustain more stable populations.

Potential Funding Strategies:

County staff will be investigating potential funding strategies. These will be discussed in further detail in the companion Board item entitled "Tahoe Basin Economic Development Investment Incentives". Generally, the areas that may provide some funding assistance to acquire development commodities are: a State Infrastructure Bank loan for economic development, the portion of property tax proceeds once set aside for the former Redevelopment Agency and not committed for satisfying existing obligations of the Successor Agency, and/or the Transient Occupancy Tax proceeds directed back to a contract with the North Lake Tahoe Resort Association.

Public-Private Partnerships, Grants, and Other Funding Sources:

The private sector is a potential partner to implement required or desired public improvements. The Department of Public Works regularly engages private property owners in implementing projects such as sidewalks, parking lots, water quality improvements, and bike trails. Public sector grant sources are often pieced together with private resources in order to deliver a complete project.

The California Tahoe Conservancy (CTC) has been an excellent partner in implementing projects in the Tahoe Basin and is continuing to identify State resources to purchase blighted properties and bank existing commodities; however, securing commodities through the CTC is likely to occur at a higher cost.

BOARD OF SUPERVISORS INTERIM ORDINANCE HEARING

At the Board's January 21, 2014 Tahoe meeting, County staff brought forward a proposal for an Interim Ordinance that would temporarily prohibit certain uses within the Town Center areas of Tahoe City, Kings Beach, and North Stateline. The purpose of staff's proposal was to address recent interest and inquires for land development projects that may be inconsistent and incompatible with the community's long-term vision for development within the Town Center areas.

At the Interim Ordinance hearing, the Board took action to deny the ordinance and directed staff to explore alternative planning process options for allowed uses within the Town Centers of Tahoe City, Kings Beach and North Stateline. The processes identified by the Board included:

- 1) Developing a new public noticing process for allowed uses;
- 2) Modifying the design review process such that it requires a higher level of discretionary review;
- 3) Developing a special use zoning overlay map or district within Town Centers; and
- 4) Reassigning planning staff to expedite preparation of the Area Plan for the North Tahoe East Area Plan (Kings Beach)

In providing direction to staff, the Board's intention was to explore ways to provide improved public awareness and opportunity for public input on new development proposals, as well as providing increased discretionary review over development proposals that are otherwise allowed by right within the TRPA Town Centers of Tahoe City, Kings Beach, and North Stateline.

Public Noticing Process for Allowed Uses in Town Centers

The Board directed staff to evaluate a public noticing requirement for development proposals that are allowed by right within the Town Center boundaries. Currently, Zoning Code requires public noticing only for project proposals that are required to be heard by the County Zoning Administrator, the Planning Commission, or the Board of Supervisors. Project proposals that require public noticing include: Variances, Use Permits, Rezonings, and General Plan Amendments. Under the current Code, land uses that are allowed by right are only required to go through a County Design Review process (exceptions are given to the submittal of building permits for Single-Family Dwellings which are not required to go through Design Review). While the Design Review process is discretionary and includes consideration by a Design Review Committee, it does not require public notification.

After exploring the legal and planning process logistics for the option of public noticing for all project proposals within the Town Center areas, staff determined that such a notification requirement could only be applied to project proposals that require Design Review, given that if the County establishes a public noticing requirement, the County would be creating a system for providing testifying and appeal rights related to project proposals. Therefore, the public noticing could only apply to planning processes that are discretionary in nature, and could not be applied to ministerial projects such as building permits where Design Review is not required (i.e., construction of a single-family dwelling).

Should the Board desire to pursue this option and direct staff to develop a new public noticing requirement for Design Review applications within the Town Center areas, such direction would require a County-initiated Zoning Text Amendment (Section 17.58.110 – Design Review Approval). A County-initiated Zoning Text Amendment would require separate environmental analysis, review by the North Tahoe Regional Advisory Council, review by the Planning Commission and final adoption by the Board. It is anticipated that this process would take approximately six months and cost \$4,000 in Planning Services Division staff hours. It is important to note that, should the Board desire a new public notification process of this nature, the process could be included as part of the Community Plan Update efforts which include amendments to the existing Zoning Code in the Tahoe Basin. Given staff's current efforts to update the Zoning Code in the Tahoe Basin, it would be more efficient to implement this option through the Community Plan Update process. Staff does not see value in undertaking a separate stand-alone Zoning Text Amendment, given that it would require dedication of staff resources that could otherwise be allocated to the Community Plan Update process.

Design Review Process Modification

As noted above, all project proposals within the Town Centers of Tahoe City, Kings Beach, and North Stateline are required to go through the County's Design Review process. The Design Review process includes review of the project proposal and site design for compliance with applicable codes, design standards and guidelines, including: zoning, setbacks, height, parking, landscaping, signs, lighting, traffic, fire, access, and building materials/colors. Unlike other areas in the County that require site Design Review, Tahoe Design Review applications are required to go before a citizen-based, County-appointed Design Review Committee for consideration. Design Review applications for other areas of the County are reviewed by a staff-level Design Review Committee.

Design Review application submittals, while discretionary in nature, are not required to go before to a public hearing and are not required to be heard by the County Zoning Administrator or the Planning Commission. In addition, there is no public noticing requirement for Design Review applications; however, the County's three Tahoe area Design Review Committees do hold public meetings to review Design Review application submittals. Such meeting dates, times, and agendas are posted to the County's website. Design Review application proposals result in a Design Review agreement between the applicant and the County, and such agreements include various conditions of approval related to the site design. Appeal rights are available to the applicant, where the applicant may appeal a Design Review Condition of Approval. Design Review appeals are heard before the County's Planning Commission, and such appeal hearings are publicly noticed.

Modification of the Design Review process was an option identified by the Board during the Interim Ordinance hearing. The Board's direction was to explore a process for Design Review where a higher level of discretionary approval may be required for all Design Review application submittals within the Town Centers. This option would require all Design Review proposals to be publicly noticed and heard at a public hearing by either the County Zoning Administrator or the Planning Commission.

Should the Board desire to pursue this option, such action would require a County-initiated Zoning Text Amendment (Section 17.58.110 – Design Review Approval and 17.60 – Zoning Administrator). The Zoning Text Amendment process would require separate environmental analysis, review by the North Tahoe Regional Advisory Council, review by the Planning Commission, and final adoption by the Board. It is anticipated that this process would take six months and cost approximately \$4,000 in Planning Services Division staff hours.

As with the first option described above for a public noticing requirement, it is important to note that a Code modification of this nature could be included as part of the County's current Tahoe Community

Plan Update effort which include amendments to the existing Zoning Code in the Tahoe Basin. Given staff's current efforts to update the Zoning Code in the Tahoe Basin, it would be more efficient to implement this option through the Community Plan Update. Processing a Zoning Text Amendment to modify the Design Review process in the Tahoe Basin would require dedication of additional staff resources that could otherwise be committed to the Community Plan Update process.

Creation of a Special Use Zoning Map Overlay

Another option identified by the Board was to explore the development of a Special-Use Zoning Overlay for the Town Centers of Tahoe City, Kings Beach, and North Stateline, which would require use permits for certain uses within those areas. The uses in question are related to the January 21, 2014 staff proposed Interim Ordinance, where staff proposed a temporary prohibition of certain uses until adoption of the Community Plan Update. Such uses included: Hospitals, Day Care Centers/Pre-Schools, Churches/Religious Assembly, Schools – business and vocation, Schools – college, Schools – kindergarten through secondary, Animal Husbandry Services, Collection Services, and Contract Construction Services.

Creation of a Special Use Zoning Map Overlay could put in place a public noticing and hearing process for such uses, and provide for either Zoning Administrator or Planning Commission discretion. By requiring use permits for development projects associated with these uses, the Zoning Administrator or Planning Commission could review potential impacts of proposed uses and mitigate those impacts and condition proposed projects accordingly. While this option would provide for a process that would allow various impacts associated with certain uses to be addressed, it does not go so far as addressing potential for land use incompatibilities within the Town Centers, in that it would not disallow uses that are incompatible with the commercial nature of the Town Centers. Staff's concern with this option is that it does not adequately address certain land uses that may be in conflict with the community's vision.

Should the Board desire to implement the option of developing a Special-Use Zoning Overlay, such action would require a County-initiated Rezoning to establish a Zoning Map Overlay District and a Zoning Text Amendment to modify Zoning Codes related to the identified uses. The Rezoning and Zoning Text Amendment process would require separate environmental analysis, review by the North Tahoe Regional Advisory Council, review by the Planning Commission, and final adoption by the Board. It is anticipated that this process would take approximately nine months and cost \$6,000 in Planning Services Division staff hours. As with the first and second options described above, a Rezoning and Code modification of this nature is included as part of the County's current Tahoe Community Plan Update efforts which include amendments to the existing Community/General Plans and Zoning Code in the Tahoe Basin. Given staff's current efforts to update the Community/General Plans and Zoning Code in the Tahoe Basin, it would be more efficient to implement this option through the Community Plan Update.

Reassigning Planning Staff to Kings Beach Area Plan

The final option discussed by the Board at its January 21, 2014 hearing was to explore the reassignment of Planning Services staff to expedite the Community Plan Update for the Kings Beach community (the North Tahoe East Area Plan). To put the Tahoe Community Plan Update documents into context, the four Area Plan Development Codes will contain the zoning, development standards and design guidelines that will need to be consistent with and are intended to implement the larger, over-arching Community Plan policy document for the entire North Lake Tahoe area. It is staff's determination that it would not be cost effective to focus efforts on preparing any one of the four Area Plan Development Codes ahead of preparing the Community Plan policy document. Furthermore, as described above and as outlined in the Tahoe Basin Community Plan Update Planning Document and Deliberation Timeline in Attachment 1, preparation of the Community Plan policy document is largely complete. Staff is currently reviewing the Administrative Draft Community Plan policy

document and will be releasing the Public Review Draft Community Plan policy document for public comment in late spring.

Additionally, as outlined in the timeline, staff has focused efforts on preparation of the North Tahoe East Area Plan Development Code as a pilot Area Plan, or prototype, where preparation of the remaining three Area Plan Development Codes will follow its formatting/structure. Staff anticipates a Public Review Draft of the North Tahoe East Area Plan Development Code to be released to the Plan Area Team and public in early summer. Therefore, based upon staff's current efforts and the schedule associated with the North Tahoe East Area Plan, it is staff's recommendation that there is no need to reassign staff to further the preparation of this Area Plan.

FISCAL IMPACT

There is no fiscal impact associated with today's actions.

Community Plan Update FY 2013-14 Impact

The total budgeted fiscal impact to the County associated with Community Plan Update tasks being conducted in FY 2013-14 is \$251,000, which includes the \$120,000 awarded contract with Dyett and Bhatia for the preparation of four Area Plan Development codes, a \$70,000 contract for the preparation of a Parking Management Plan, and \$61,000 portion of the contract for the initial EIR/EIS preparation tasks.

Community Plan Update FY 2014-15 Impact

The total fiscal impact to the County associated with Community Plan Update tasks being conducted in FY 2014-15 is \$318,500 for the contract for completion of the EIR/EIS tasks.

ATTACHMENTS

Attachment 1: Community Plan Update Schedule for Draft Documents and Deliberations

- cc: David Boesch, County Executive Officer
- Holly Heinzen, Chief Assistant County Executive Officer
- Karin Schwab, County Counsel's Office
- Loren Clark, Assistant CD/RA Director
- Paul Thompson, Assistant CD/RA Director-Tahoe
- Steve Buelna, Supervising Planner
- Edmund Sullivan, Planning Services
- Allen Breuch, Planning Services
- Peter Kraatz, Deputy Public Works Director

Tahoe Basin Community Plan Update
Document Preparation/Deliberation Schedule

Month	Task	Meetings
Dec-13	Release Policy Framework Document (public comment)	
	Area Plan Preparation (4)	BOS Approval of Area Plan Contract
Jan-14	Public Comment on Policy Framework Document	Town Hall Meeting
Feb-14	Preparation of Admin Draft CP Policy Doc	
Mar-14	Staff review Admin Draft CP Policy Doc	TRPA/Placer Coordination
	Review Admin Draft Area Plan Prototype/Pilot Plan	TRPA/Placer Coordination
Apr-14	EIR/EIS Contract Negotiation & Award	BOS April 22 Hearing
	Work Program Update/Board Direction	BOS April 21 Public Workshop
	TAC review of Admin Draft CP Policy Doc	TAC Meeting
May-14	Release Public Draft CP Policy Doc (public comment)	Plan Team Public Workshop
	Commence EIR/EIS	EIR/EIS Scoping Meeting
	Staff & TAC Review Admin Draft Area Plan Prototype/Pilot	TAC Meeting
	Outreach: Public Review Draft Policy Document	Town Hall Meeting
Jun-14	Public Review Draft CP Policy Doc	Planning Commission Public Workshop
	Outreach: Public Review Draft CP Policy Doc	NTRAC
Jul-14	Public Review Draft Area Plans	Plan Team Public Workshops
	Outreach: Public Review Draft Area Plans	NTRAC
	Work Program Update	BOS Report
Aug-14	Public Review Draft Area Plans	Plan Team Public Workshops
Sep-14	Outreach: Public Review Area Plans	Town Hall Meeting
Oct-14	Preparation of Draft EIR/EIS	
	Work Program Update	BOS Report
	Outreach: Draft Review Docs	NTRAC
Nov-14	Continue Preparation of Draft EIR/EIS	
	Outreach: Draft Docs	Town Hall Meeting
Dec-14	Continued Preparation of Draft EIR/EIS	
Jan-15	Release of Public Review Draft EIR/EIS & Draft Plans	60 Days
	Work Program Update	BOS Report
	Planning Commission Deliberation on Draft	Planning Commission Hearing/Public Workshop
	Outreach: Public Review/Comment on DEIR/EIS & Draft Plans	NTRAC
Feb-15	Continued Public Review of Draft EIR/EIS & Draft Plans	
	Planning Commission Deliberation on Draft	Planning Commission Hearing/Public Workshop
	Outreach: Public Review Draft EIR/EIS & Draft Plans	Town Hall Meeting
Mar-15	Planning Commission Deliberation on Draft	Planning Commission Hearing/Public Workshop
	Receive final comments on Draft EIR/EIS & Prepare Final EIR/EIS	
Apr-15	Final EIR/EIS Public Review	
	Planning Commission Deliberation on Final Docs	Planning Commission Hearing
26-May-15	Targeted BOS Community Plan Adoption	BOS Hearing
May-15	Community Plan/Area Plan TRPA Submittal	TRPA/Placer Coordination
	TRPA Conformance Review/Implementation Committee Review	TRPA Meetings
	Outreach: Status Report	NTRAC
Jun-15	TRPA Conformance Review/APC	APC Meeting
	TRPA Conformance Review/Governing Board	Governing Board Meeting
	Outreach: Status Report	NTRAC
Jul-15	TRPA Conformance Review/APC	APC Meeting
	Resulting CP Policy Doc/Area Plan Modifications	PC/BOS Deliberations
Aug-15	Outreach: Community Report	NTRAC

ATTACHMENT 1