



**MEMORANDUM
FACILITIES MANAGEMENT
CAPITAL IMPROVEMENTS DIVISION**
County of Placer

TO: Honorable Board of Supervisors DATE: March 30, 2021
FROM: Steve Newsom, Director of Facilities Management
By: Paul Breckenridge, Capital Improvements Manager
SUBJECT: Capital Improvements / Dollar Creek Crossing Housing Project Update / Tahoe City, California

ACTION REQUESTED

Receive an update on the progress of the proposed Dollar Creek Crossing Housing Project.
Provide direction and feedback on proposed next steps.

BACKGROUND

On October 2, 2019, the County acquired the 11.4-acre R.T. Nahas Company property in the Dollar Hill area of Tahoe City. This property, located at 3205 North Lake Blvd, Tahoe City at the corner of State Route 28 and Fabian Way, is considered an excellent site for potential workforce/achievable housing development due to its developability (existing Tahoe Regional Planning Agency development rights), proximity to Town Centers (two miles to downtown Tahoe City and six miles to Kings Beach), and potential for workforce/affordable housing development tax credits (near schools, transit, and recreation). Funding for the acquisition came from the County Affordable Housing Trust Fund, FY 2017-18 Transient Occupancy Tax fund balance, the Lake Tahoe Tourism and Promotions budget, General Fund Reserves, and the Truckee Tahoe Airport District.

Prior to acquisition of the property, in September 2018, the County released a Request for Proposals (RFP) to identify a residential development partner. The RFP process resulted in the selection of developer Related Companies of California and Pacific Housing (Related-Pacific). Your Board approved an Exclusive Right to Negotiate a Developer Agreement (ERNA) with this team on January 29, 2019. The ERNA has been extended to May 26, 2021. Subsequent amendments or modifications to the ERNA will be brought back to your Board separately.

Over the course of the ERNA, the County and Related-Pacific have collaborated on initial project planning and hosted multiple community outreach meetings to gain feedback. In response to this feedback, the County, as project lead, has contracted for the following project studies as approved by your Board on March 30, 2020:

- New Economics Advisory (NEA) - Financial Feasibility and Demand Analysis to determine the best mix of workforce/achievable housing products at the site.
- Williams + Paddon Architects + Planners (W+P) - site analysis to study the interrelationships of physical site characteristics, surrounding neighborhood context, and provide updated site plan sketches with potential residential and commercial use types.
- LSC Transportation Consultants - transportation analysis to review specific site access concepts and circulation.
- Adrienne Graham - fire risk study to analyze areas of project planning and design for fire safety.

- Mapca Surveys - civil site surveying for mapping accurate boundary, topography, vegetation, and other existing site features.

The studies are underway, including the Financial Feasibility and Demand Analysis which are key for determining the potential mix of housing and commercial products for the property. At today's meeting, staff will provide an update of the current project findings from these studies and seek your Board's input.

Summary of Current Project Study Findings

1. **Workforce/Achievable Residential Market Demand:** The market analysis portion of the feasibility study has more clearly framed the demand and specific nature of affordable housing in the Truckee-Tahoe area. The findings, through data analysis, highlight these key existing residential market conditions:
 - Majority of existing housing stock is used for occasional (second home and/or vacation rental) use only.
 - Existing housing stock is mainly older and built before 2000.
 - Housing prices continue to be high and unachievable for those in the local workforce.
 - For sale affordable workforce housing is generally not available.
 - Households with children are underrepresented in the area due to the nature of available housing stock.
 - New employees and seniors, in particular, struggle to find affordable housing in the Truckee-Tahoe area.
2. **Opportunities for Workforce/Achievable Residential Land Uses:** The study also confirms and highlights the unique opportunity the Dollar Creek site has for developing workforce/achievable housing. Due to its location, size and identified allowable uses in the Tahoe Basin Area Plan, the site is considered highly desirable for developing housing that meets the needs of residents meeting income levels identified in the study. Sites with similar characteristics, and affordable housing readiness, are rare in the Truckee-Tahoe region.
3. **Identified Targeted Residential Land Use Types:** Based on the Average Median Income (AMI) for the Truckee-Tahoe area, \$86,300 (for a family of four), most categories of affordable residential land use types are in demand. The project team has narrowed the focus of affordable residential land use types to three which are perceived as those with the greatest demand in the area and potentially most readily achievable. The following residential categories are now being studied as the basic parameters for the residential products at the site:
 - Achievable ownership housing (120-220% of AMI)
 - Market rate rental housing (80-120% of AMI)
 - Affordable rental housing (30-80% of AMI)
4. **For Sale Homes and Rental Unit Balance:** Based on the identified demand for both achievable ownership and rental housing along with feedback from the community, the project team is studying ways to potentially accommodate a greater number of achievable ownership housing

units than was previously being considered. An increase in for sale housing will potentially reduce the overall site density or residential unit count due to the nature of for sale housing types.

5. Site Density Approach: After further analysis and feedback from the community, the project team is now considering up to only what is allowed by the Placer County Tahoe Area Basin Plan for residential density without a potential TRPA density bonus: 15 dwelling units per acre. This equates to a maximum potential total of 171 residential units (11.4 acres x 15 dwelling units/acre) which is less than what was previously identified: a range of 174-204 total residential units. If part of the site acreage is used for non-residential land uses, the residential unit count will decrease accordingly.
6. Commercial/Service/Recreation Land Use Types: The feasibility study includes analysis of potential local serving/small-scale commercial retail, office, services, and recreation uses. The study identifies a demand for newer, contemporary facilities that would accommodate these types of uses.
7. Traffic and Circulation: Previous site plan sketches presented to the community and project stakeholders had indicated a potential main vehicular site access at Dollar Drive and N. Lake Blvd. Since these sketches were developed, the project team has learned that a second vehicular access point to the site would be required based on newly enacted State fire code requirements. Staff and its transportation consultant continue to pursue measures to address access and circulation based on Tahoe Basin Area Plan standards while also factoring in opportunities associated with the Tahoe area microtransit program implementation and other multi-modal strategies. The proposed environmental review process will include a traffic analysis.
8. Recreation Uses Adjacent to the Site: Connectivity to Dollar Creek Trail and any potential future community/recreation uses at the neighboring Firestone property from adjacent neighborhoods and the project site is considered a critical site planning consideration. Coordination with the North Tahoe Public Utility District and Tahoe City Public Utility District is underway to take into consideration any potential planned future uses and the implications for the Dollar Creek Crossing project.

Project Next Steps

1. Initiate Environmental Impact Report (EIR) Process: Based on the above status and findings, staff believe the environmental review process should be initiated to study a mixed-use, for sale and rental residential, and small-scale commercial project limited to 15 dwelling units per acre.

Greater project specifics will be developed in the coming weeks and ahead of a public scoping meeting at the onset of the EIR. The final range of land uses incorporated into an updated site plan approach will be informed by the project studies, community engagement, and from feedback from your Board.

Therefore, with your Board's concurrence, staff will work with Procurement Services on a Request for Proposal process to identify a recommended Environmental Consulting Services

consultant. Staff will return to your Board for consideration of the Consultant Services Agreement.

The estimated cost of Environmental Consulting Services is \$375,000 with funding provided by the State of California Housing and Community Development (HCD) Permanent Local Housing Allocation (PLHA) grant funds allocated to CDRA.

2. Finalize Studies: Based on feedback received, NEA will perform the final feasibility tasks and develop proformas including gap funding analysis after considering estimated project costs and available funding sources. W+P will prepare site planning concepts depicting the potential land use mix and site access scenarios.
3. Community Outreach: Following completion of these additional studies and updating site planning concepts, County staff will coordinate opportunities to engage the community, including through meetings, newsletter updates, and website information.
4. Project Site Planning Approach: Staff will return to your Board for direction related to the potential development types, targeted residential count range by use, funding sources, and strategies.

ENVIRONMENTAL IMPACT

The action requested of your Board today is exempt from review under the California Environmental Quality Act pursuant to CEQA Guidelines Section 15306 – data collection and resource evaluation activities used strictly for information gathering purposes.

FISCAL IMPACT

Funding for the consultant services is available in the Capital Fund Project No. PJ01027 Dollar Creek Housing Project Planning. Funding for project management and legal staff costs are available in the Capital Improvements Division FY 2020/21 Adopted Budget.

ATTACHMENTS:

Attachment A – Site Map

Attachment A - Site Map



