



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

TO: Honorable Board of Supervisors DATE: July 27, 2021
FROM: Steve Newsom, Director of Facilities Management
By: Paul Breckenridge, Capital Improvements Manager
SUBJECT: Capital Improvements Division / Dollar Creek Crossing Housing Project Update /
Tahoe City, CA

ACTION REQUESTED

Receive an update on the progress of the proposed Dollar Creek Crossing Housing Project.

BACKGROUND

In October 2019, the County purchased approximately 11.4 acres of vacant land located at 3205 and 3225 North Lake Boulevard, Tahoe City, CA, and intends to utilize the property for a potential development of achievable, affordable, and for-sale housing.

On January 29, 2019, in support of this goal and after a Request for Proposal process to identify an affordable housing developer, your Board approved an Exclusive Right to Negotiate Developer Agreement (ERNA), with Related Companies of California, LLC ("Related"). Identified in the ERNA's Performance Benchmarks, were requirements to conduct community outreach meetings for purposes of disseminating information, development concepts, and potential site plan drawings that were presented to the community. In response to feedback during this effort, the County has taken the lead role in the planning process and has commenced additional project analysis to better understand development opportunities and constraints.

To address changes in Related's role and timeframes since inception of the ERNA, three Amendments to the agreement have been approved, with the last one approved by your Board on May 11, 2021, extending the ERNA for 18 months. Related's continued involvement is important given their potential future role in the development of a variety of affordable and achievable housing on the property. The latest Amendment provides time to allow engagement during the County led environmental review process.

On July 28, 2020, your Board approved funding for additional professional consulting to better define the project scope through financial feasibility analysis, site, and transportation analysis, fire risk studies, and civil surveys of topography, boundaries, and site features. On March 30, 2021, your Board received an update on the planning process for the potential Dollar Creek Crossing Housing Project (Project) and directed staff to move forward on an environmental review process.

PROJECT UPDATE

County staff has made good progress since its March 30th update to your Board. Regular planning sessions among Capital Improvements, Real Estate Services, Community Development Resource Agency, Related, and the consultants are held to address Project issues and status. These

meetings typically bring in subject matter expertise on Tahoe-specific planning topics which inform Project planning efforts.

The following provides an update on the Project planning activities:

Traffic and Circulation: In consideration of your Board's June 22, 2021, adoption of a Resolution to establish California Environmental Quality Act (CEQA) Vehicle Miles Traveled (VMT) as the required metric for transportation impacts for most projects under CEQA, it is noted that below-market-rate housing in East Placer would be determined to be screened out. For projects in the Tahoe Basin, Tahoe Regional Planning Agency (TRPA) now screens moderate or achievable housing projects that are eligible for housing bonus units. The proposed Project will now be measured by the County's newly established thresholds and screening criteria as well as TRPA's recently adopted threshold for VMT reduction. Nevertheless, staff and its Project team will continue to evaluate and address access and circulation based on the State fire code requirements and the Tahoe Basin Area Plan while also factoring in opportunities associated with the Tahoe area microtransit rideshare program implementation and other multi-modal strategies.

Current and Potential Recreation Uses Adjacent to the Site: Any potential future community/recreation uses at the adjacent Firestone property 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.

Environmental Review: Based on your Board's direction, staff has coordinated with Procurement Services and requested proposals from firms on the County's Environmental Impact Report (EIR) Preparation Qualified List. This Qualified List was approved by your Board on December 15, 2020, RFQ 20121, to provide Environmental Impact Report Preparation services on an as-needed basis.

On June 28, 2021, the Request for Proposal (RFP) for the Dollar Creek Crossing Housing Project Environmental Review was provided to all eight firms on the Qualified List. On July 9, 2021, four proposals were received. The most qualified firm was determined to be NCE (Nichols Consulting Engineers). Staff has negotiated a Consultant Services Agreement (CSA) for a total contract amount of \$77,000, for Environmental Review services that are intended to meet the requirements of the California Environmental Quality Act (CEQA), National Environmental Protection Act (NEPA), and Tahoe Regional Planning Agency (TRPA). In accordance with County Policy for contracts under \$100,000, the County's Purchasing Manager will execute this agreement.

Site Planning Scenarios: Factoring in the Tahoe Basin Area Plan site density (15 dwelling units/acre) and TRPA land coverage and density bonus regulations, Williams + Paddon Architects + Planners (W+P) is finalizing site planning scenarios. These scenarios will be the basis for New Economics Advisory's (NEA) final tasks to develop project proformas and identify available funding sources.

Finalize Financial Feasibility and Demand Analysis: NEA will develop proformas including gap funding analysis after considering estimated project costs and available funding sources for scenarios developed by W+P based on the following residential and commercial use types:

- Achievable ownership housing (120-220% of AMI)
- Achievable, moderate income rental housing (80-120% of AMI)
- Affordable, low-income rental housing (30-80% of AMI)

Future Community Outreach:

As reported to your Board, community outreach is planned after site planning concepts have been developed based on the results of the Feasibility and Demand Analysis. Community input will be sought through virtual meetings and other standing community meetings (e.g., North Tahoe Regional Advisory Council, Mountain Housing Council). Community feedback will be shared with your Board when staff returns 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 cost of Environmental Review services, up to \$375,000, is provided by the State of California Housing and Community Development (HCD) Permanent Local Housing Allocation (PLHA) grant funds allocated to the Community Development Resource Agency (CDRA). As such, CDRA will pay the associated invoices for these services out of their budget. Facilities Management costs incurred for project management and legal staff costs are available in the Capital Improvements Division FY 2021-22 Adopted Budget.

ATTACHMENTS:

Attachment A – Site Map

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