

6 POPULATION AND HOUSING

6.1 INTRODUCTION

This chapter describes the existing conditions for population and housing in the Area Plan and identifies federal, state, and local regulations and policies relevant to the Area Plan and Tahoe City Lodge Project. Potential impacts of the project alternatives are analyzed, and mitigation measures are provided for those impacts determined to be significant.

As discussed in Chapter 4, “Approach to Environmental Analysis,” this analysis is provided to fully document the environmental effects of the four Area Plan and lodge alternatives. The broad geography and long timeframe to which the Area Plan applies and the policy-oriented nature of its guidance is such that the EIR/EIS is prepared at a programmatic level, i.e., a more general analysis of each resource area with a level of detail and degree of specificity commensurate with the overall planning level of the Area Plan. Similarly, because the Kings Beach Center design concept lacks sufficient detail for definitive impact analysis, that portion of the project is also evaluated in a programmatic fashion. The proposed Tahoe City Lodge represents a project that contains a greater level of detail and specificity such that a project-level analysis is included in this chapter.

The primary issues raised during scoping that pertain to population and housing include:

- ▲ supply of affordable and moderate-income housing;
- ▲ effects of the expanded secondary dwelling unit program to allow market-rate secondary residences on residential parcels less than 1 acre;
- ▲ impact on part-time and full-time residential populations as well as visitor populations;
- ▲ employment types (e.g., part time/full time, minimum wage/moderate wage, seasonal/year round) generated by the project; and
- ▲ effects of changes in the town centers on local population, housing, and employment characteristics.

The primary sources of information used in preparation of this section are the U.S. Census Bureau 2000 and 2010 surveys, 2010-2014 American Community Survey 5-Year Estimate, California Department of Finance (DOF), California Employment Development Department (EDD), Draft Tahoe Basin Community Plan Economic and Market Analysis (Placer County 2013b), Placer County General Plan (Placer County 2013a) and Housing Element Background Report (Placer County 2013c), the *Tahoe Regional Housing Needs Program Report* (TRPA 2014), the Lake Tahoe Regional Transportation Plan and Sustainable Communities Strategy Draft EIR/EIS (Tahoe Metropolitan Planning Organization [TMPO] and TRPA 2012), and the Lake Tahoe Regional Plan Update Draft Environmental Impact Statement (DEIS) (TRPA 2012a).

The Area Plan is not proposing any specific projects that would result in the loss of very-low, lower-, or moderate-income housing or that would displace substantial numbers of people necessitating construction of replacement housing elsewhere. The analysis in this EIR/EIS tiers from the RTP EIR/EIS, which determined that the potential for the Area Plan to displace residents or businesses would be reduced to a less-than-significant impact after implementation of mitigation to minimize displacement impacts (TMPO and TRPA 2012:3.12-9 – 3.12-11). If any future projects subsequent to adoption of the Area Plan has the potential to displace residences or businesses, those projects would be required to undergo project-level environmental review in which any potential impacts on residences or businesses would be assessed and mitigated to the extent feasible. For example, the Kings Beach Center design concept would not replace any

recognized affordable housing. However, the parcels in which the Kings Beach Center design concept are located include some existing residential uses, which could include moderate-income units. Because of the mixed-use nature of the conceptual redevelopment related to the Kings Beach Center design concept, any displaced moderate-income units could be incorporated into the future project. The potential for displacement and replacement would be analyzed during the subsequent environmental review for that future project.

Furthermore, future projects would be subject to TRPA requirements for in-kind replacement housing on a unit for unit basis for the loss of moderate-income housing (TRPA Code Section 39.2.3.B); consequently, there would be no net loss of housing. The Area Plan would not result in any new impacts from displacement of residences or businesses beyond those addressed in the RTP EIR/EIS; therefore, there would be no impact. These impacts are not discussed further.

The Tahoe City Lodge project site contains three commercial buildings and a small portion of the Tahoe City Golf Course. There is no housing on the site so no loss of very-low, lower-, or moderate-income housing would occur and no replacement housing would be required elsewhere. This issue is not discussed further. However, Placer County's requirement for providing workforce housing (General Plan Policy C-2) is discussed herein.

Additional analysis of potential growth inducement caused by the proposed project is presented in Chapter 20, "Other CEQA- and TRPA-Mandated Sections," of this EIR/EIS.

6.2 REGULATORY SETTING

6.2.1 Federal

There are no federal population and housing regulations that pertain to the proposed project.

6.2.2 Tahoe Regional Planning Agency

Two components of the Regional Plan address policies and regulations pertaining to population, housing, and employment: Goals and Policies and Code of Ordinances.

REGIONAL PLAN

Goals and Policies

The Land Use Subelement includes policies to encourage and support redevelopment of existing Town Centers while also maintaining a balance between economic/social health and the environment. The Housing Subelement includes policies that promote housing opportunities for very-low, lower-, and moderate-income households.

The Regional Plan Goals and Policies pertaining to population and housing are incorporated here by reference (TRPA 2012b:2-2, 2-20 – 2-21).

Code of Ordinances

Multi-Residential Incentive Program

TRPA has established a Bonus Unit Incentive Program for the purpose of assigning multi-residential "bonus units." Under the Multi-Residential Incentive Program (MRIP), applicants may be awarded bonus units by improving environmental conditions or through development of affordable or moderate-income housing. The following conditions are required for housing projects to receive multi-residential bonus units:

- ▲ Implementation of specific environmental measures sufficient to acquire bonus units, based on a scoring system (TRPA Code Section 52.3.3(A)); or
- ▲ Housing must meet the definition of affordable or government-assisted housing set forth in the Housing Subelement of the Land Use Element of the Goals and Policies; or
- ▲ Housing must meet the definition of moderate-income housing (as defined in Chapter 90 of the Code), and the local jurisdiction in which the project is located must maintain a TRPA-certified Local Government Moderate-Income Housing Program.

A bonus unit awarded under the MRIP relieves the applicant of the need to acquire a development right for a residential unit, but does not replace the need to acquire a residential allocation. Affordable housing units are, however, exempt from acquiring residential allocations.

The number of bonus units assigned for such projects is determined by TRPA on the basis of a project's need for these units. All bonus units received for affordable and moderate-income housing are deed-restricted in perpetuity.

TRPA-Certified Local Government Moderate-Income Housing Program

As described above, TRPA may certify a Local Government Moderate-Income Housing Program, which makes that jurisdiction eligible to receive multi-residential bonus units for affordable and moderate-income housing. To certify such a program TRPA must find that, in accordance with Section 52.3 of the Code, the program addresses:

- ▲ housing needs and issues of the jurisdiction pursuant to state standards within an adopted Housing Element;
- ▲ standards that guide the development of moderate-income housing using the principles of transit-oriented development, including:
 - appropriate proximity to government services;
 - appropriate proximity to commercial and employment centers;
 - appropriate proximity to mass transit opportunities and other alternative modes of transportation; and
 - appropriate residential and commercial densities to facilitate transit use.

The moderate-income housing program is implemented through a covenant tied to the land, such as a deed restriction. The covenant restricts both the rental rate and the occupants' household income to the moderate-income housing limits. Compliance with deed restriction is subject to local jurisdictions; however, programs are monitored on an annual basis through reports submitted by the local jurisdictions to TRPA.

6.2.3 State

State law requires each local government in California to adopt a comprehensive, long-term general plan for the physical development of its city or county, and the housing element is one of seven mandated elements of the general plan. Housing elements are to address the existing and projected housing needs of all economic segments of the community. The Housing Element Background Report for Placer County identifies the nature and extent of housing needs in the unincorporated areas, and the Housing Element itself includes goals, policies, and implementation programs for the planning and development of housing.

State law sets out a process for determining each local jurisdiction's fair share of regional housing needs. As a first step in the process, the California Department of Housing and Community Development assigns each regional council of governments (COG) a required number of new housing units for that region, including affordable housing. The COG, in turn, allocates the region's share to cities and counties in the region. See

“Affordable Housing” discussion under Section 6.3.3, “Environmental Setting,” for a description of how this applies to Placer County.

6.2.4 Local

PLACER COUNTY GENERAL PLAN

The Housing Element of the Placer County General Plan includes the county’s goals, policies, quantified objectives, and housing programs for the maintenance, improvement, and development of housing.

The county’s Housing Element contains Goal C, which aims to promote housing opportunities that meet the specific needs of residents and workers in the Tahoe Basin. This goal is supported by a number of policies and programs specific to the Tahoe Basin.

Policy C-1 focuses on strengthening the effectiveness of incentives to provide affordable housing and to allow secondary residential dwelling units on parcels less than one acre in the Tahoe Basin.

Policy C-2 requires new development in the Sierra Nevada and Lake Tahoe areas to house 50 percent of the full-time equivalent employees generated by the development. Employee housing shall be provided for in one of the following ways:

- ▲ construction of onsite employee housing,
- ▲ construction of offsite employee housing,
- ▲ dedication of land for needed units, and/or
- ▲ payment of an in-lieu fee.

PLACER COUNTY INCLUSIONARY HOUSING ORDINANCE

Section 15.65.130 of the Placer County Code requires residential development projects in the North Lake Tahoe area of the county to dedicate at least 15 percent of the new dwelling units to be affordable as prescribed in Section 15.65.160 or Section 15.65.170, as applicable, and shall be constructed not later than the related market rate units, unless one of the alternative actions set forth in Section 15.65.190 or Section 15.60.220 is performed. Section 15.65.140 provides incentives for the development of affordable housing, including the reduction of county development fees associated with the affordable housing units.

6.3 ENVIRONMENTAL SETTING

6.3.1 POPULATION

PLACER COUNTY

The Plan area is located in an unincorporated area of Placer County, along the North Shore and West Shore of Lake Tahoe. Placer County has six incorporated cities: Auburn, Colfax, Lincoln, Roseville, Rocklin, and Loomis. As shown in Table 6-1, from 2000 to 2010, the county’s population grew from 248,399 to 348,432, an average annual growth rate (AAGR) of 3.4 percent, a rate nearly three times that of California as a whole during this period (Placer County 2013c:5-6). While the county’s population continues to grow, the rate of growth has been decreasing and the population in the North Shore and West Shore has been declining. In 2014 the county’s population was estimated to be 371,694, which represents an average annual increase of approximately one percent over the 2010 estimate of 348,432 (see Table 6-1). Table 6-1 also shows recent population trends of communities in the vicinity of the Area Plan.

Table 6-1 Population in the Vicinity of the Area Plan

Municipality (Zip Code)	Population		
	2000	2010	2014
Camelian Bay (96140) ¹	1,928	1,170	1,126
Tahoe Vista (96148) ¹	669	788	781
Kings Beach (96143) ¹	4,802	4,414	3,855
Tahoe City (96145) ¹	3,997	3,161	3,215
Homewood (96141) ¹	840	744	669
Tahoma (96142) ^{1,2}	1,282	1,037	731
Placer County Portion of the Tahoe Basin^{2,3}	13,518	11,314	9,708
Olympic Valley (96146) ¹	926	1,366	823
Incline Village, NV (Census Designated Place) (89450, 89451, 89452) ¹	Not Available	8,777	8,389
Crystal Bay, NV (Census Designated Place) (89402) ¹	Not Available	305	193
Town of Truckee, Nevada County (96160, 96161, 96162)	13,864	16,180	16,191
Placer County	248,399	348,432	361,518
California	33,871,648	37,253,956	38,066,920

¹ For the North Shore and West Shore Lake Tahoe communities, the population shown for 2014 is the 2010-2014 American Community Survey 5-Year Estimate, which is based on a sample, whereas the Census data is based on a complete count. Therefore, totals from the two sources may vary.

² The community of Tahoma extends between Placer County and El Dorado County; consequently, the population numbers for Tahoma include some residents that live outside the Area Plan in El Dorado County.

³ This population total is derived from the populations for Camelian Bay, Tahoe Vista, Kings Beach, Tahoe City, Homewood, and Tahoma.

Source: U.S. Census Bureau 2000, 2010, and 2015c

Consistent with Placer County General Plan Policies 1.H.1 and 1.M.1, population growth in the county has occurred at a higher rate in the incorporated areas than the unincorporated areas. Between 2000 and 2010, the AAGR was 5.0 percent in incorporated areas of the county, while growth in the unincorporated areas had an AAGR of 0.7 percent (Placer County 2013c:7-8). In 2014 and 2015, approximately 69 percent of the county's population resided in the incorporated cities and towns and approximately 31 percent resided within the unincorporated county (DOF 2015a).

DOF produces the official population projections by county for California. The most recent projections for 2010 to 2060 were produced in December 2014. Table 6-2 shows the estimated population for Placer County in 2010 (which differs from the Census number) along with the DOF population projections for 2020, 2030, and 2040. According to DOF projections, from 2010 to 2040, the population of Placer County is projected to increase by 159,706. The surrounding counties of Nevada and El Dorado are also projected to experience growth, but at a slower rate than Placer County.

Table 6-2 Population Projections for Placer County and Surrounding Counties

County	Population			
	2010	2020	2030	2040
Placer County	350,230	396,203	447,625	509,936
Nevada County	98,938	101,767	108,111	111,885
El Dorado County	181,567	190,850	201,509	208,092

Sources: DOF 2015b

TOWN OF TRUCKEE

The Town of Truckee, Nevada County's largest incorporated city, is located approximately 5 miles north of the Area Plan. Truckee is a residential and economic hub for the region as well as a popular vacation destination and second-home community. In 2014, the population in Truckee was approximately 16,191, which was an increase of approximately 2,327 people since 2000 (see Table 6-1).

NORTH SHORE AND WEST SHORE OF LAKE TAHOE

The North Shore and West Shore of Lake Tahoe include the communities of Carnelian Bay, Tahoe Vista, Kings Beach, Tahoe City, Homewood, and Tahoma within California and Crystal Bay and Incline Village in Nevada. Similar to Truckee, these communities are popular summer vacation destinations and second-home communities. Demographic information for these communities was collected based on the Zip Code Tabulation Areas of the U.S. Postal Service for most of these communities (see Table 6-1). The total population for these communities per the 2010-2014 American Community Survey 5-Year Estimate was approximately 18,290 (U.S. Census Bureau 2015c). Compared to the 2010 total population of 20,396, by 2014 the population of the North Shore and West Shore of Lake Tahoe has decreased by approximately 2,106 people. The population within the Plan area also saw a decrease in population of approximately 1,606 people.

TRANSIENT POPULATION

The Plan area, and Truckee-Tahoe region as a whole, is a popular winter and summer vacation destination. Housing in the region consists of a mixture of permanent homes and resort-oriented temporary lodging. Visitors (both day and overnight) are not accounted for in the Census data shown in Table 6-1. As a result, the full-time resident population is only a part of the total population (visitor and resident), and the overall population fluctuates seasonally. For example, according to housing vacancy data (provided in Section 6.3.3, "Housing"), approximately 51 percent of housing units in the Lake Tahoe Basin were vacant in 2010, meaning that during peak tourism periods (summer and winter), assuming 100 percent occupancy of housing units, the Basin residential population could effectively double on a temporary basis. However, 100 percent occupancy would not likely occur because of factors such as homes being for sale, or second homes or vacation rentals being temporarily vacant.

6.3.2 EMPLOYMENT

PLACER COUNTY

In 2014, Placer County had a total 145,500 workers over the age of 16, an increase of 33,200 workers since 2000 (see Table 6-3). The severe economic downturn that began in 2008 significantly affected different sectors in Placer County when compared to prior years. At approximately 141 percent, the strongest employment growth from 2000 to 2014 was seen in Placer County's Educational and Health Services sector, which had 23,900 jobs in 2014. Financial Activities posted the second-highest growth rate in Placer County at around 70 percent, followed by the Leisure and Hospitality sector with about 48 percent growth in the fourteen-year time period (see Table 6-3).

Placer County's 2010 unemployment rate was estimated to be approximately 11.6 percent. The economy has substantially improved since 2010 and as of October 2015, the county's unemployment rate was estimated to be 6.3 percent (EDD 2015).

Table 6-3 Employment by Industry in Placer County 2010 – 2014

Industry Sector	2000	2010	2014	Percent Change 2000-2014
Total, All Industries	112,300	127,200	145,500	29.6%
Agriculture	400	300	300	-25.0%
Mining and Logging	100	100	0	-100.0%
Construction	11,900	8,400	10,400	-12.6%
Manufacturing	11,300	6,600	6,300	-44.3%
Trade, Transportation and Utilities	20,700	25,900	2,200	42.0%
Information	2,500	2,500	2,200	-12.0%
Financial Activities	6,700	9,700	11,400	70.2%
Professional and Business Services	12,600	13,000	16,600	31.8%
Educational and Health Services	9,900	19,100	23,900	141.4%
Leisure and Hospitality	13,700	18,100	20,200	47.5%
Other Services	4,700	4,500	5,800	23.4%
Government	17,800	18,900	19,000	6.7%

Source: EDD 2015

TOWN OF TRUCKEE

The services and retail sectors employ the most people in Truckee, accounting for 31 percent and 27 percent of local jobs, respectively. These sectors are followed by the government sector, accounting for 18 percent of total employment, and mining and construction, accounting for 15 percent of total employment. The high number of employees in the mining and construction category can be attributed to the amount of housing construction in and around Truckee.

Truckee's visitor-based economy is highly seasonal, due to variations in weather and snow levels and occasionally influenced by drought. As a result, there are large annual fluctuations in demand for goods and services and in the staffing requirements of local employers. Annual retail business sales patterns reflect the highly seasonal nature of the Truckee economy: approximately 48 percent of retail sales are earned during the summer, 39 percent during the winter, and 13 percent during the spring and fall seasons combined (Town of Truckee 2006:6-3 – 6-4).

In 2014, Truckee had a workforce of 9,769 people with an unemployment rate of 7.6 percent, which is lower than the Plan area unemployment rate of 9.4 percent (U.S. Census Bureau 2015a).

NORTH SHORE AND WEST SHORE OF LAKE TAHOE

Businesses that depend primarily on travel and tourism – lodging establishments, gaming, restaurants, and recreation services – are a large source of employment in the region. In 2012, approximately 56 percent of jobs in North Lake Tahoe were in the tourist industry (North Lake Tahoe Resort Association 2013:15–16).

Between 2011 and 2014, employment in the North Shore and West Shore of Lake Tahoe has experienced little fluctuation ranging from a high of approximately 6,760 employees in 2012 to a low of 6,440 in 2011, which is also reflected in unemployment rates (see Table 6-4). In 2014, the unemployment rate for the Plan area was 9.3 percent and slightly higher than the county unemployment rate of 6.3 percent. In 2013, the percentage of jobs filled by workers from outside the region was approximately 79 percent on the North Shore and West Shore (U.S. Census Bureau Center for Economic Studies 2015).

Table 6-4 Employment in the Plan Area

	2011	2012	2013	2014
Employed ¹	6,440	6,764	6,651	6,451
Unemployment Rate ¹	8.7%	10.5%	10.2%	9.3%

¹ Employment information from for these communities was collected based on the Zip Code Tabulation Areas of the U.S. Postal Service (96140, 96141, 96142, 96143, 96145, and 96148)

Source: U.S. Census Bureau 2012, 2013, 2014, 2015a

6.3.3 HOUSING

PLACER COUNTY

As of the 2010 Census, Placer County had a total of 152,648 housing units, with 132,627 occupied housing units and 20,021 vacant housing units (U.S. Census Bureau 2010). The estimated number of total housing units in 2013 increased to 153,886 total housing units in the county.

As shown in Table 6-5, the number of housing units in Placer County increased at an AAGR of 4.2 percent between 2000 and 2010, which was almost four times the rate of housing unit growth in California during this period (1.1 percent AAGR). Consistent with the General Plan policy to direct growth to incorporated areas, housing units in the incorporated areas of the county grew at a rate of 5.1 percent as compared to 1.4 percent in the unincorporated areas.

Housing units increased at a higher rate than population, and the average household size in unincorporated Placer County decreased from 2.66 persons per household in 2000 to 2.57 in 2010. California's average household size continued to increase over this time period (2.87 in 2000 and 2.90 in 2010) as population grew faster than households and housing units.

Table 6-5 Households, Housing Units, and Housing Size (Placer County and California 2000 and 2010)

	Unincorporated Placer County		Incorporated Cities in Placer County		California	
	2000 ¹	2010 ²	2000 ¹	2010 ²	2000 ¹	2010 ²
Households						
Number	37,334	41,351	56,048	91,276	11,502,871	12,577,498
Increase from Previous Period	6,505	4,017	22,776	35,228	1,122,015	1,074,627
% AAGR from Previous Period	1.9%	1.0%	5.4%	5.0%	1.0%	0.9%
Average Household Size (persons per household)	2.66	2.57	2.61	2.61	2.87	2.9
Housing Units						
Number	48,433	55,891	58,869	96,757	12,214,550	13,680,081
Increase from Previous Period	5,926	7,458	23,497	37,888	1,032,037	1,465,531
% AAGR from Previous Period	1.3%	1.4%	5.2%	5.1%	0.9%	1.1%
Occupied Housing Units	37,345 (77.1%)	41,351 (74.0%)	56,037 (95.2%)	91,276 (94.3%)	11,502,870 (94.2%)	12,577,498 (91.9%)
Vacant Housing Units	11,099 (22.9%)	14,540 (26.0%)	2,821 (4.8%)	5,481 (5.7%)	711,679 (5.8%)	1,102,583 (8.1%)

¹ Previous period of growth is 1990 to 2000.

² Previous period of growth is 2000 to 2010.

Source: Placer County 2013c:8, 13

Vacancy Rate

The housing vacancy rate in Placer County is high; 26 percent of housing units in the unincorporated areas of the county were vacant in 2010, compared to an approximately 8 percent vacancy rate for housing units in all of California for 2010. The high vacancy rate in Placer County is primarily due to the large number of vacation homes in the Lake Tahoe portion of the county. In 2010, 62.2 percent of vacant housing units in the unincorporated county were for seasonal, recreational, or occasional use (Placer County 2013c:13–14).

Affordable Housing

Affordable housing refers to housing in which low to moderate income households pay no more than 30 percent of their incomes on the rent or mortgage payment. Affordable rental housing programs are typically targeted toward lower income households (those earning less than 80 percent of the area median income), while affordable owner-occupied housing is targeted toward low- or moderate-income households (those earning less than 120 percent of area median income). Based on federal guidelines for 2012, a Placer County family of three earning \$54,850 or less would be defined as low income. Monthly housing expenses of \$1,371 or less would be considered affordable for that household (Placer County 2013c:37-38). According to the *Tahoe Regional Housing Needs Program Report* (TRPA 2014:65), nearly 40 percent of unincorporated county households were paying more than 30 percent of their monthly income for housing costs in 2010. Two-thirds of households whose incomes were less than 80 percent of median family income had excessive housing cost burdens, accounting for roughly one-third of all unincorporated county households.

State law requires each community in California to address its “fair share” of the region’s housing needs through its Housing Element. Sacramento Area Council of Governments (SACOG) is responsible for allocating the “fair share” of this total to the counties and cities in the Sacramento region, including Placer County. In allocating each jurisdiction’s share of housing, SACOG assessed factors such as job growth, water and sewer capacity, land availability, proximity to transit, and market demand. According to SACOG, between 2013 and 2021, Placer County must provide enough land for a total of 5,031 housing units to be built that are affordable at very-low, low, moderate, and above-moderate income levels (Placer County 2013c:62). (Although there is not a specific allocation identified for eastern Placer County or the Sierra specifically, the Housing Background Report assumes 328 of the 5,031 affordable units for the Tahoe Basin.) The Plan area currently contains 15 extremely low, 39 very-low income units, 21 low-income units, and 2 moderate-income/manager’s units (see Table 6-6).

Table 6-6 Affordable Housing within the Plan Area

Development Project	Total Units	Location
Existing Housing		
Kings Beach Housing Now (Domus Development)	15 Extremely Low 39 Very-Low-Income 21 Low-Income 2 Moderate-Income/Manager's Units	Kings Beach
Planned Housing		
Cal-Neva Resort Renovation	13 Low-Income	North Stateline
Homewood CEP Project	13 Low-Income	Homewood
Source: TRPA 2014:58; Placer County 2013c:A-4; and compiled by Placer County in 2016		

TRUCKEE

U.S. Census data indicate that the total number of housing units in the Town of Truckee increased by approximately 167 units from 12,803 in 2010 to 12,970 in 2014 (U.S. Census Bureau 2010, U.S. Census Bureau 2015b). Truckee has a high proportion of housing units used as second homes and vacation rentals whose residents are not counted among the Town’s total population in the Census. In 2014, approximately

47.9 percent of housing units were occupied, while approximately 52.1 percent were vacant housing units. During peak tourism periods in the summer and winter, the Town's residential population can effectively double on a temporary basis.

LAKE TAHOE BASIN

Unlike many jurisdictions, the Lake Tahoe Basin has a quantified, limited supply of suitable land available for development or redevelopment. The total quantity of housing is controlled by TRPA's release of residential allocations and the bonus unit incentive program. Based on U.S. Census data, the total number of housing units in the Lake Tahoe Basin increased from approximately 46,100 in 2000, to approximately 47,400 in 2010. The percentage of owner-occupied units declined from 32 percent in 2000 to 27 percent in 2010. The percentage of units vacant or used for seasonal rentals and vacation homes increased from 45 percent in 2000 to 51 percent in 2010 (TRPA 2012a:3.12-7).

6.4 ENVIRONMENTAL IMPACTS AND MITIGATION MEASURES

6.4.1 Methods and Assumptions

Projections used in this analysis are based on land use and transportation modeling conducted in support of the Area Plan. The methods and assumptions used to generate projections for population and housing were developed by TMPO, as follows:

- ▲ **Population and Housing:** 2000 and 2010 Census Tract and Census Block data were used to estimate persons per household, number of households, income status, year-round residency, and second-home residency by traffic analysis zone. These values were applied to the new residential units authorized under each alternative, with the assumption that ratios would remain the same as under the current conditions for Alternatives 2 and 4. However, for Alternatives 1 and 3, the year-round residency and income status were adjusted slightly to reflect the proposed secondary dwelling units program (see Appendix G, "Transportation and Circulation Supplemental Information").
- ▲ **Employment:** Using the existing region-wide percentages of retail (30 percent), service (39 percent), and recreation/other (31 percent) employment, allocated commercial floor area (CFA) was used to project future employment levels. Ratios were assigned as follows:
 - Retail: 1 employee per 600 square feet of floor area;
 - Service: 1 employee per 172 square feet of floor area; and
 - Recreation/Other: 1 employee per 273 square feet of floor area.

The most relevant information for background considerations is compiled within reference material that sources the U.S. Census, and is meant to provide background information related to population and housing trends within and near to the Tahoe Region. For consistency with Chapter 10, "Transportation and Circulation," the following analysis discusses projections made by TMPO's modeling efforts prepared to analyze the Area Plan alternatives (see Appendix G, "Transportation and Circulation Supplemental Information").

6.4.2 Significance Criteria

Significance criteria relevant to population and housing are summarized below.

TRPA CRITERIA

The “Population” and “Housing” criteria from the TRPA Initial Environmental Checklist were used to evaluate the population and housing impacts of the alternatives. The project would result in a significant impact if it would:

- ▲ alter the location, distribution, density, or growth rate of the human population planned for the Region; or
- ▲ affect existing housing, or create a demand for additional housing.

CEQA CRITERIA

Based on Appendix G of the State CEQA Guidelines and the Placer County CEQA Checklist, impacts to population and housing would be significant if the project would:

- ▲ induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure).

6.4.3 Environmental Effects of the Project Alternatives

Impact 6-1: Location, distribution, density, or growth rate of population and housing in the region

The Area Plan Alternatives 1, 2, and 3 would change the location and distribution of population and housing in accordance with the Regional Plan, which caps development through its system of marketable rights for residential, commercial, and tourist uses. Through that system, TRPA accommodates only modest growth in population, jobs associated with commercial floor area (CFA) and tourist accommodation units (TAUs), and housing along with the promotion of environmental improvements and increases in walkability and transit and bicycle usage. Thus, the Area Plan under Alternatives 1, 2, and 3 would not induce substantial growth, and changes in the location, distribution, and density of population and housing in the Plan area would result in environmental gains. Because the location, distribution, density, and growth rate of the human population and housing under Area Plan Alternatives 1, 2, and 3 would be more concentrated in town centers and mixed-use areas than it is presently, and would be consistent with the Regional Plan, this impact would be **beneficial**. Area Plan Alternative 4 would allow for continued growth at levels contemplated by the Regional Plan, but without an adopted Area Plan, future development under Alternative 4 would not be able to utilize development incentives that would improve walkability, increase transit and bicycle usage, and result in overall environmental gains. This impact would be **less than significant** under Area Plan Alternative 4.

Tahoe City Lodge Alternatives 1, 3, and 4 would result in a net increase in employees, and Lodge Alternative 2 would result in a net reduction in employees, at the lodge site and jobs in the Plan area relative to existing conditions. The net change in employees at the site with any of the alternatives would not be considered a substantial change to the location and distribution of employment in the Plan area. While changes in levels of employment are important considerations for any project, under CEQA, an economic or social change by itself is not to be considered a significant effect on the environment. However, if a social or economic change is related to a physical change, then the social or economic change may be considered in determining whether the physical change is significant. There is no evidence to suggest that the change in number of jobs as a result of Lodge Alternatives 1, 2, 3, and 4 would result in any physical, adverse environmental effects. Therefore, the effects of Lodge Alternatives 1, 2, 3, and 4 on location and distribution of population and housing in the Plan area would be **less than significant**.

Placer County Tahoe Basin Area Plan Program-Level Analysis

Each Area Plan alternative proposes a variation on the existing land use planning system. The land use planning systems and policies proposed under Alternatives 1, 2, and 3 would implement the Regional Plan, including updated uses in mixed-use areas, with some variations in conversions and density of development

(see the discussion of Impact 5-2 in Chapter 5, “Land Use,” for a detailed explanation of the land use components under each alternative).

Table 6-7 shows projected population in the Plan area, by alternative, for 2014 and 2035 conditions. As shown, the permanent population (excluding part-time residents and visitors) of the Tahoe Region was 9,708 in 2014 and is projected to reach up to approximately 10,083 in 2035, depending on the alternative; a population increase of approximately 375 (Appendix G, “Transportation and Circulation Supplemental Information”). Because development under each alternative would be limited by the number of commodities set forth in the Regional Plan, there is little variation in the 2035 buildout population for each alternative. An Area Plan would not be adopted under Alternative 4; thus, future development would not be able to take advantage of some of the development incentives in the Regional Plan, such as increased density within town centers, and would result in a slightly lower buildout population (Table 6-8).

Table 6-7 Existing Population and Projected 2035 Population Totals for Area Plan Alternatives

Alternative	2014 ¹	2035	Total Population Increase
1	9,708	10,083	375
2	9,708	9,894	186
3	9,708	10,083	375
4	9,708	9,796	88

Note: Resident population includes year-round residents only. Part-time residents and visitors are excluded.

¹ Demographic information for the Plan area was compiled from U.S. Census data for the communities in the Area Plan based on the Zip Code Tabulation Areas of the U.S. Postal Service (see Table 6-1).

Source: See Appendix G, “Transportation and Circulation Supplemental Information.”

Table 6-8 Population, Employment, and Housing - Existing and 2035 Conditions for Area Plan Alternatives

Placer County Portion of the Tahoe Basin	2014 ¹	2035 Projected Conditions			
	Existing Conditions	Alternative 1	Alternative 2	Alternative 3	Alternative 4
Population	9,708	10,083	10,083	9,894	9,796
Total Housing Units	11,190	12,206	12,206	12,206	12,206
Occupied Housing Units ²	3,698	4,192	4,192	4,191	4,168
Jobs (Payroll Employees) ³	3,553	4,358	5,062	4,524	5,062
Commercial Floor Area (sq. ft.)	1,306,564	1,396,882	1,576,882	1,486,882	1,576,882
Tourist Accommodation Units	1,340	1,911	1,511	1,711	1,511
Jobs-to-Housing Ratio	0.32	0.36	0.41	0.37	0.41
Jobs-to-Occupied Housing Ratio ⁴	0.96	1.04	1.21	1.08	1.21
Jobs-to-Occupied Housing Ratio for the Tahoe Basin	1.02	1.02	1.05	1.04	1.05

¹ The existing population reflects 2014 numbers generated by Census data and shown in Table 6-1. All other existing conditions are generated from reasonable assumptions developed as part of the traffic model.

² The amount of occupied housing compared to total housing in the Plan area was determined through the application of reasonable assumptions about occupancy rates based on census data.

³ Number of jobs (payroll employees) excludes businesses with one or two employees.

⁴ Differs from the jobs-to-housing ratio by focusing on owner- and renter-occupied homes and omitting seasonally occupied (vacation) homes.

Source: See Appendix G, “Transportation and Circulation Supplemental Information.”

The number of housing units is the same for all alternatives because each carries forward the existing allocations allowed by the Regional Plan and assumes that all bonus units and transfer incentives in the Regional Plan are activated through an adopted Area Plan. Alternatives 1 through 3 would allow for more opportunities to develop new residential units compared to Alternative 4. For example, implementation of Alternatives 1 and 3 would expand the potential locations for secondary dwelling units under Alternatives 1 and 3, which could result in a greater supply of affordable or moderate-income housing since these units would not be allowed to be used as tourist accommodation units. The types and locations of residential development under Alternative 4, would be directed by the existing Community Plans and Plan Area Statements.

Lack of sufficient housing may impede economic growth by increasing the price of available housing, making it difficult for companies to attract new employees, and requiring families that seek affordable housing to move farther away from the communities in which they work. Conversely, lack of sufficient jobs may force residents to commute long distances to outside employment centers. These potential mismatches are referred to as a jobs-to-housing imbalance. It is generally considered ideal to have a jobs-to-housing balance of approximately one job per housing unit in a jurisdiction.

Based on allocation of CFA under each alternative, job increases are projected to range from 4,358 total jobs under Alternative 1 to 5,062 total jobs under Alternatives 2 and 4. This difference between total jobs is attributed to the lower amount of CFA that could be developed under Alternatives 1 and 3 since these alternatives would allow the limited conversion of TAUs to CFA. Accurate forecasts of these projections, including the types of employment (e.g., part-time/full-time, minimum wage, seasonal/year-round) are difficult to calculate due to the uncertainty of future economic shifts. As shown in Table 6-7, the overall jobs-to-housing ratio in the Plan area is projected to increase slightly over existing conditions by approximately 0.4, indicating that fewer available jobs than housing would continue under the Area Plan. However, as of 2010, approximately 51 percent of all housing units in the Basin are vacant or used seasonally (as vacation homes) and owner or renter-occupied housing accounts for approximately 49 percent of Regional housing (see Section 6.3.3, "Housing"). Therefore, the more important indicator of the balance between jobs and housing is the jobs-to-occupied housing ratio, which varies between alternatives and is further discussed below. These ratios reflect the potential for new employment opportunities and housing.

Alternative 1: Proposed Area Plan

The Area Plan under Alternative 1 would implement Regional Plan standards for building height, density, land coverage, and development transfers that would incentivize development in town centers. The Area Plan also includes the Kings Beach Center design concept which, among other uses, could include 8,000 square feet of public service uses, between 4,800 and 8,500 square feet of professional office space, and between 27,900 and 42,400 square feet of retail and various uses, for a total of between 40,700 and 58,900 square feet of CFA, depending upon concept options. Consistent with Regional Plan allowances within town centers, project sites that are greater than 300 feet from Lake Tahoe or on the mountain side of State Route (SR) 89 or SR 28 could transfer in coverage to cover up to 70 percent of high capability lands. Project sites within 300 feet of Lake Tahoe and on the lake-side of SR 89 or SR 28 could transfer in coverage to cover up to 50 percent of high capability lands. Consistent with the Regional Plan Land Use map, the Area Plan would allow housing within designated mixed-use areas near employment and multi-modal transportation facilities.

Alternative 1 would also allow for the limited conversion of CFA to TAUs within town centers, up to an additional 400 TAUs over that currently allocated by the Regional Plan. Under Alternative 1, this would result in up to 1,911 TAUs at buildout compared to 1,511 TAUs allowed by current allocations. Although the conversion of CFA to TAUs was not contemplated in the Regional Plan, this would not substantially alter the location, distribution, density, or rate already anticipated in the Plan area because these conversions would be directed to town centers, which are areas identified by the Regional Plan for such uses; and because the conversion factor between CFA and TAUs was calculated so as to generally maintain parity with regard to environmental effects (e.g., traffic generation).

Commercial development under Alternative 1 would be limited to 1,396,882 square feet of CFA, as compared to 1,576,882 square feet allowed by current allocations. Assuming exhaustion of all allocations,

Alternative 1 would result in a population increase of approximately 4 percent. Alternative 1 would result in a smaller increase in jobs compared to Alternatives 2 and 4; however, the jobs-to-occupied housing ratio would be 1.04, indicating a balance between available jobs and permanent residents in the Plan area. Implementation of Alternative 1 would maintain a balance of jobs and housing similar to that planned for by the Regional Plan (TRPA 2012a:3.12-11 – 3.12-12).

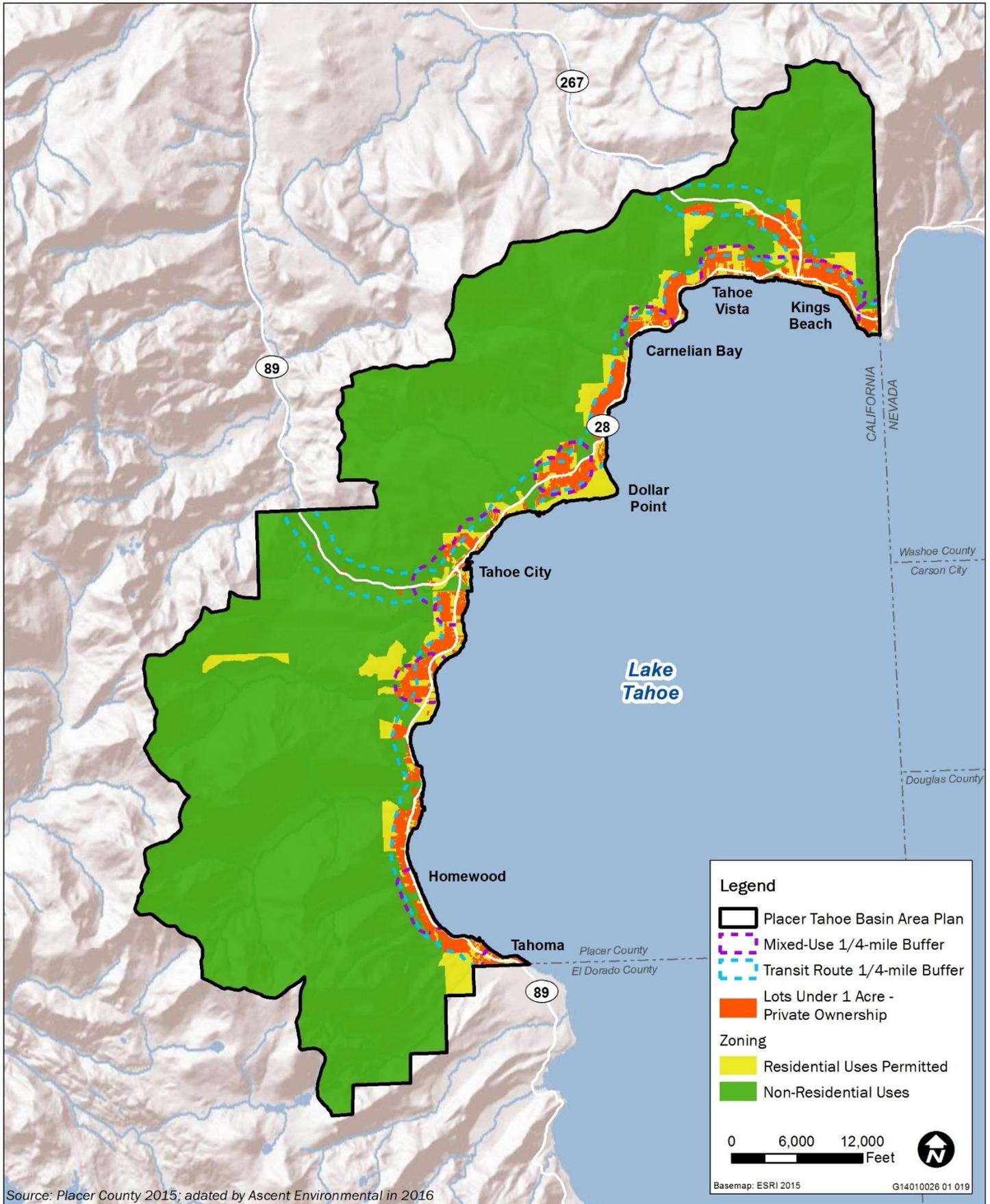
Alternative 1 would expand the potential for development of market-rate secondary dwelling units to parcels less than 1 acre in size, subject to best management practices (BMP) certification, TRPA Code requirements (including allocations), and supplemental design standards. To qualify for the program, properties must be located within 0.25-mile of a Mixed-Use zoning district or primary transit route and a residential allocation must be obtained for the secondary unit. Secondary units may not be used as tourist units or converted to TAUs. The potential locations for new secondary dwelling units under this program, including secondary dwelling units allowed on parcels larger than 1 acre under TRPA Code Section 21.3.2, are identified in Exhibit 6-1. Implementation of this program could result in an increase in the number of residential units in areas designated for residential development outside of mixed-use areas and town centers. However, between 2010 and 2015, five secondary dwelling units were permitted in the Placer County portion of the Basin, which was 5 percent of the total number of single family residential permits approved by Placer County during that same time (Streegan, pers. comm., 2015). The Area Plan encourages economic and project development in town centers (Policy SE-P-2) and would maintain the currently allowed densities for areas outside of town centers (Policy LU-P-9). For these reasons, Alternative 1 would likely result in a greater proportion of the development to be concentrated within town centers, consistent with the Regional Plan (TRPA 2012a:3.12-11 – 3.12-12).

In accordance with the Regional Plan, Transportation Policies in the Area Plan would promote walkable mixed-use centers (Policies T-P-17, T-P-18, T-P-19, T-P-20, T-P-21, and T-P-23), transportation enhancements (Policies T-P-1, T-P-6, T-P-11, T-P-12, T-P-13, T-P-14, and T-P-22), and environmental improvements that increase the viability of transit systems and encourage bicycle and pedestrian usage as viable and significant modes of transportation (Policies T-P-3, T-P-5, T-P-15, T-P-17, and T-P-19). These policies are in accord with the intent of the Regional Plan to promote redevelopment activity in town centers, and in concert with other requirements, such as BMP certification, reduction in coverage, and transfer of development to town centers, would result in environmental gains.

For the reasons described above, the location, distribution, density, and growth rate of the human population and housing in the plan under Alternative 1 would be more concentrated in town centers and mixed-use areas than it is presently, and would be consistent with the Regional Plan. Thus, this impact would be **beneficial**.

Alternative 2: Area Plan with No Substitute Standards

Alternative 2 would result in similar density, growth, and distribution of population and housing as that described for Alternative 1. Assuming exhaustion of all allocations, Alternative 2 is projected to result in a population increase of approximately 4 percent. Alternative 2 would not allow for the limited conversion of CFA to TAUs; consequently, Alternative 2 would result in 180,000 more square feet of CFA and 704 more jobs than would be generated under Alternative 1. The jobs-to-occupied housing ratio for Alternative 2 would increase slightly over the baseline conditions and that which would occur under Alternative 1, resulting in greater jobs than available housing within the Plan area. However, as identified in Table 6-8, the jobs-to-occupied housing throughout the entire Basin under Alternative 2 would remain balanced with a jobs-to-occupied housing ratio of 1.21. Although this ratio is higher than the projected ratio for Alternative 1, a one-to-one ratio is not always appropriate because it does not account for households with more than one person in the work force or individuals with more than one job. The 2007 jobs household ratios for California overall are 1.25 with an expected ratio of 1.40 in 2030. The most populous regions in California reported the jobs-to-occupied housing ratios vary between 1.13 and 1.28. In the five least populous regions the jobs-to-occupied housing ratios range from 0.76 to 0.95 (Donovan, pers. com. 2016). Additionally, because future development under Alternative 2 would be limited by the commodities system established by the Regional Plan and would be directed to areas planned for by the Regional Plan, the jobs-to-occupied housing balance that would occur under Alternative 2 would not alter the location and distribution of population and housing planned for the Plan area.



Source: Placer County 2015; adated by Ascent Environmental in 2016

Exhibit 6-1

Potential Locations for Development of Secondary Dwelling Units under Alternative 1



The development of secondary housing on parcels less than 1 acre under Alternative 2 would be limited to deed-restricted affordable housing if a TRPA-certified housing program—as allowed by Section 21.3.2 of the TRPA Code—is in place. Therefore, Alternative 2 would result in less residential development outside of mixed-use areas and town centers than would occur under Alternatives 1 and 3. Alternative 2 would include the same policies described above for Alternative 1 that would improve walkability and increase transit and bicycle usage and result in overall environmental gains in the Plan area. For these reasons, under Alternative 2, the location, distribution, density, and growth of the human population and housing in the Area Plan would be more concentrated in town centers and mixed-use areas consistent with that planned for by the Regional Plan, with some improvements in walkability, feasibility of other alternative transportation, and the resultant benefits compared to existing conditions. Thus, this impact would be **beneficial**.

Alternative 3: Reduced Intensity Area Plan

Alternative 3 would result in similar growth and distribution of population and housing as that described for Alternative 1. Assuming exhaustion of all allocations, Alternative 3 is projected to result in a population increase of approximately 2 percent, as compared to existing conditions. Future development within town centers under Alternative 3 could result in lower density compared to Alternative 1 as a result of greater limitations on allowable coverage, building height, and number of stories. However, under Alternative 3, residential density in town centers can be increased for affordable housing. Future development would be encouraged in town centers through incentives provided by the Regional Plan. These development incentives would encourage residential development to be located near employment and multi-modal transportation facilities. The limited conversion of CFA to TAUs under Alternative 3 up to 200 TAUs over what is currently allocated by the Regional Plan would result in an additional 90,000 sq. ft. CFA and 166 more jobs than would be generated under Alternative 1. Alternative 3 would include the same policies described above for Alternative 1 that would improve walkability and increase transit and bicycle usage and result in overall environmental gains in the Placer County portion of the Basin. For these reasons, under Alternative 3, the location, distribution, density, and growth of the human population and housing in the Area Plan would be concentrated in town centers and mixed-use areas in a manner consistent with the Regional Plan, with improvements in walkability, feasibility of other alternative transportation, and the resultant benefits compared to existing conditions. Thus, this impact would be **beneficial**.

Alternative 4: No Project

Implementation of Alternative 4 would be a continuation of policies under the Regional Plan and development that would be allowable under existing Plan Area Statements and Community Plans. Without an adopted Area Plan, future development under Alternative 4 would not be able to implement Regional Plan standards for density that would incentivize development in town centers. Assuming exhaustion of all allocations, Alternative 4 is projected to result in a population increase of approximately 1 percent, as compared to existing conditions.

Similar to Alternative 2, Alternative 4 would result in approximately 180,000 square feet more CFA and 704 more jobs than would be generated under Alternative 1. The jobs-to-occupied housing ratio for Alternative 4 would increase slightly over the baseline conditions and what would occur under Alternative 1, resulting in more jobs than available housing within the Plan area. Because future development under Alternative 4 would be limited by the commodities system established by the Regional Plan, the jobs-to-occupied housing balance that would occur under Alternative 4 would not alter the location, distribution, density, or growth of population and housing planned for the Region.

Under Alternative 4, the location, distribution, density, and growth of the human population in the Placer County portion of the Basin would be similar to that analyzed by the Regional Plan, with less concentrated development in town centers and mixed-use areas than would occur under Alternatives 1, 2, and 3. Compared to the other alternatives, Alternative 4 would not implement policies that would improve walkability and increase transit and bicycle usage or result in the same potential for environmental gains. While the impact would not be beneficial in this regard, it would be **less than significant**.

Tahoe City Lodge Project-Level Analysis

Alternative 1: Proposed Lodge

Implementation of Alternative 1 would result in construction of a new 118-unit hotel and associated amenities, reconstruction of the Tahoe City Golf Course clubhouse, and golf course improvements. The site currently supports commercial uses, with 15 different businesses located at the lodge site. The lodge itself would be in similar in type to surrounding developed urban uses in the Tahoe City town center. The proposed lodge would replace the existing commercial center and would result in a net increase in 29 full-time equivalent employees (FTEE) (66.19 FTEE with Alternative 1 – 36.94 FTEE under existing conditions = 29.25 FTEE) relative to existing conditions. This would represent an increase of less than 1 percent (29 FTEE / 4,358 jobs [from Table 6-8] * 100 = 0.7 percent) of the jobs in the Plan area.

As required by Placer County General Plan Policy C-2, the lodge project would provide for employee housing for 50 percent of the projects increase in FTEE when compared to the employment potential of the existing development at the site. Although FTEE at the project site is 36.94 under existing conditions, the FTEE of the site under full occupancy is 61.41 (see Alternative 4 in Table 6-9 below). The Alternative 1 lodge would increase FTEE by 4.78 over the employment potential of the project site under full occupancy. The applicant would be responsible for the equivalent of 2.39 employee housing units, which they have indicated would be provided via in-lieu fees paid to the county in support of moderate and low income housing programs. The fee amount would be determined by the county and paid by the applicant prior to final permit approval.

Table 6-9 Tahoe City Lodge and Clubhouse Employment and Workforce Housing Requirements by Alternative

Scenario	Estimated # of Employees on an Avg. Day ¹	Estimated # of Employees on a Peak Day ¹	Full-Time Equivalent Employees (FTEE) ²	Employee Housing Required Per Placer County General Plan, Housing Element Policy C-2 ³
Existing Conditions (2015)	26	31	36.94	NA
Alternative 1	26	40	66.19	2.39
Alternative 2	15	23	32.10	-
Alternative 3	22	35	57.67	-
Alternative 4	43	51	61.41	-

¹ Estimated based on information provided by Kila Tahoe, LLC related to average and peak day employees.

² Information provided by Placer County Housing Specialist Cathy Donovan for the proposed Tahoe City Lodge. Other alternative FTEE numbers were derived from the Alternative 1 information.

³ Placer County General Plan Policy C-2 requires new development in the Tahoe Basin to house 50 percent of the FTEE generated by the development. It requires that housing be provided for in one of the following ways:

- construction of onsite employee housing;
- construction of offsite employee housing;
- dedication of land for needed units; and/or
- payment of an in-lieu fee.

The requirement is determined based on the existing use potential of a site. In this instance, the existing commercial complex at the lodge site has 26,304 square feet of verified CFA. This was the basis for determining the employee housing requirement. Existing conditions reflects the extent to which the existing commercial complex is currently leased, not its full potential. The full potential is reflected in Alternative 4. Because Alternative 1 is the only alternative that would increase FTEE relative to the existing potential, it is the only alternative that meets the Policy C-2 workforce housing requirement.

Source: Adapted by Ascent Environmental 2016

The net change in FTEE for the lodge would not be considered a substantial change to the location and distribution of employment in the Plan area. While changes in levels of employment are important considerations for any project, under CEQA, an economic or social change by itself is not to be considered a significant effect on the environment. However, if a social or economic change is related to a physical change, then the social or economic change may be considered in determining whether the physical change is significant. There is no evidence to suggest that the increase in number of jobs as a result of Lodge

Alternative 1 would result in any physical, adverse environmental effects. Therefore, the effects of Lodge Alternative 1 on location and distribution of population and housing in the Plan area would be **less than significant**.

Alternative 2: Reduced Scale Lodge

Implementation of Lodge Alternative 2 would result in the construction of a 56-unit hotel with accessory uses, including a restaurant. Lodge Alternative 2 would replace the existing commercial center and would result in a net reduction of approximately 5 jobs (4.84 FTEE). As with Alternative 1, the loss of businesses and jobs would not be considered a substantial change to the location and distribution of employment in the Plan area. Additionally, because Alternative 2 would not result in an increase in employment potential when compared to the existing employment potential of the site (represented by Alternative 4 in Table 6-9 above), the project would not be required to provide employee housing. Because there is no evidence to suggest that the loss of businesses and number of jobs would result in any physical, adverse environmental effects, the effects of Lodge Alternative 2 on location and distribution of population and housing in the Plan area would be **less than significant**.

Alternative 3: Reduced Height Lodge

Implementation of Lodge Alternative 3 would result in the construction of a new hotel, but in an alternative configuration; onsite amenities; and reconstructed clubhouse, similar to Lodge Alternative 1. Lodge Alternative 3 would replace the existing commercial center and would result in a net increase in 21 FTEE (57.67 FTEE with Alternative 3 – 36.94 FTEE under existing conditions = 20.73 FTEE). This would represent an increase of less than 1 percent (29 FTEE / 4,358 jobs [from Table 6-8] * 100 = 0.48 percent) of the jobs in the Plan area. Because Alternative 3 would not result in an increase in employment potential when compared to the existing employment potential of the site (represented by Alternative 4 in Table 6-9 above), the project would not be required to provide employee housing. These changes would result in minor modifications in the location and distribution of employment in the Plan area. There is no evidence to suggest that the loss of businesses and number of jobs would result in any physical, adverse environmental effects. Therefore, the effects of Lodge Alternative 3 on location and distribution of population and housing in the Plan area would be **less than significant**.

Alternative 4: No Project

Implementation of Alternative 4 would result in rehabilitation of the existing commercial buildings on the project site to increase tenant occupancy. The improvements that would occur under Alternative 4 would not displace existing businesses. Additionally, Alternative 4 would provide jobs for 61 employees (61.41 FTEE), which is a net increase of 24 jobs (24.47 FTEE) over existing conditions. The changes that could occur at the site under Alternative 4 and the associated increase in number of employees could occur under existing conditions. The demand for new employees generated under Alternative 4 could be met by existing residents in the Plan area. Alternative 4 would not change the location or distribution of population and housing within the Plan area in such a way that it would result in adverse environmental effects. This impact would be **less than significant**.

Mitigation Measures

No mitigation is required.

Impact 6-2: Induce substantial population growth and housing demand

Area Plan Alternatives 1, 2, 3, and 4 would result in population growth anticipated and approved in the Regional Plan. With implementation of new programs, such as the limited conversion of CFA to TAUs and the expanded secondary dwelling units program, and continuation of the Regional Plan growth management system, Area Plan Alternatives 1 and 3 would maintain a balance of jobs and housing to meet demand. Area Plan Alternatives 2 and 4 would also continue to implement the Regional Plan growth management system, but would increase in the ratio of jobs-to-occupied housing that would increase the number of commuters into the Basin. This could result in an increase in demand for housing in areas outside the Basin, such as in Truckee. Future specific housing projects would be required to undergo project-level environmental review

and would be required to mitigate any physical, adverse effects on the environment. The effects on VMT associated with the increase in commuters under Alternatives 2 and 4 were considered in the traffic model and transportation analysis prepared for this EIR/EIS, and thus, the related effects on air quality and noise. The effects on VMT, traffic congestions, and air quality from commuters traveling into the Basin under Area Plan Alternatives 2 and 4 would be incremental. For these reasons, none of the Area Plan Alternatives would induce substantial population growth, directly or indirectly, that would create additional demand for housing such that an adverse physical effect on the environment would occur. Area Plan Alternatives 1, 2, 3, and 4 would have **less-than-significant** impacts.

Construction of Lodge Alternatives 1 through 3 would be expected to generate a temporary demand for up to 100 to 120 construction workers. Since this demand would be met by local or nearby residents, the impact of temporary project construction activities on population growth and housing demand would be **less-than-significant**. Operation of the Lodge site under Alternatives 1, 3, and 4 would be expected to generate between 58 and 66 FTEE, which is an increase in the existing employment level at the lodge site. Alternative 2 would generate 32 FTEE which would be a reduction when compared to existing conditions. The employee demand would be met by the existing, local workforce and would not induce substantial population growth. These alternatives would not include any other project components that would accommodate population growth that could generate additional demand for housing or result in any other adverse physical effects on the environment. Because Alternative 1 would increase the employment potential of the site (the current employment potential is represented by Alternative 4), Alternative 1 would be required to comply with Placer County General Plan employee housing requirements. All other alternatives would generate fewer FTEE than the projected FTEE potential of the site and would not be required to provide employee housing. For these reasons, the operation of the Lodge Alternatives 1, 2, 3, and 4 would have a **less-than-significant** impact on population growth and housing demand.

Placer County Tahoe Basin Area Plan Program-Level Analysis

Alternative 1: Proposed Area Plan

Alternative 1 would include adoption of an Area Plan that would implement the Regional Plan, which would direct future development toward town centers and mixed-use areas. Area Plan Alternative 1 would allow limited conversion of CFA to up to 400 TAUs within town centers. This alternative would also change the Tahoe City town center boundary, include new special planning areas, allow for non-contiguous project areas, and expand the opportunities for development of secondary dwelling units to parcels smaller than 1 acre.

Development of commercial and tourist uses and residential units in the Plan area are limited by commodity allocations set forth by the Regional Plan. Between 11 and up to 37 residential units could be issued by TRPA each year for residential development in the Plan area. Through the Bonus Unit Incentive Program, TRPA has a limited number of bonus units that could be allocated for development of affordable housing or to incentivize transfer of development rights into town centers (TRPA Code Section 52.3). Within these limitations, the maximum number of housing units, including bonus units that could be developed under the Area Plan by 2035, would be 12,206, an addition of 1,016 over the existing number of housing units (see Table 6-1).

Total demand for permanent (year-round) housing is also regulated, indirectly, through TAU and CFA allocations, which limits the amount of business conducted in the Tahoe Region and, therefore, the number of workers seeking housing. The maximum number of TAUs that could be constructed subsequent to the Area Plan under Alternative 1 and Regional Plan by 2035 would be 1,911 TAUs, which assumes maximum conversion of CFA to TAUs. The maximum amount of CFA that could be constructed subsequent to the Area Plan and Regional Plan would be 1,396,882 which also assumes that the maximum amount of CFA to TAU conversions are implemented.

As indicated in the Regional Housing Needs Program Report, the Region has unmet demand for affordable and moderate-income housing and there is evidence to suggest that there are a number of households in the Plan area with excessive housing cost burdens (TRPA 2014:65). The Regional Plan, Area Plan, and

Placer County encourage the development of affordable (low- and very-low income) and moderate-income housing through several programs, including the bonus unit program described above and in Section 6.2, “Regulatory Setting.” With adoption of the Area Plan under Alternative 1, TRPA’s secondary dwelling unit program would be expanded in the Plan area to allow development of secondary dwelling units on parcels less than 1 acre in size in addition to allowing development of secondary dwelling units on parcels larger than 1 acre in size. The expansion of the secondary dwelling unit program is one of the recommendations by the *Tahoe Regional Housing Needs Program Report* for addressing the Region’s housing needs (TRPA 2014:98-101). These secondary residences may not be used as tourist units or converted to TAUs. Due to the small size of the parcels; coverage, height, and design limitations; and proximity to transit routes, the secondary dwelling units constructed under this program would be prime candidates for moderate or affordable housing. Because of the physical limitations and other restrictions on these small parcels and fewer incentives for redevelopment than are available in town centers, implementation of Area Plan Alternative 1 is not anticipated to generate a substantial number of new secondary dwelling units.

Deed-restricted affordable housing developed in Placer County is eligible to receive a reduction in development fees associated with the affordable housing units. Placer County would also ensure that housing development keeps up with job and population growth through implementation of Policy C.2, which requires new development to provide housing for 50 percent of the employees generated by the development, and through the Inclusionary Housing Ordinance, which requires residential development projects to dedicate at least 15 percent of the new dwelling units to be affordable. In addition to policies that support existing Regional Plan and Placer County efforts to meet the demand for affordable and moderate-income housing, the Area Plan includes policies to further pursue opportunities to address the jobs-housing balance and provide affordable housing (Policies SE-P-6, HS-P-2, HS-P-6, and HS-P-7). With these policies and programs, implementation of Alternative 1 would expand affordable and moderate-income housing supply over existing conditions.

The projected permanent population under Alternative 1 in 2035 would be 10,083. As shown in Table 6-8, the jobs-to-occupied housing ratio would be 1.04 for Area Plan Alternative 1, which indicates the amount of housing is adequate to meet the housing demand of workers in the Basin. The amount of occupied housing compared to total housing in the Plan area was determined through the application of reasonable assumptions about occupancy rates based on Census data, which were applied in the traffic model (see Appendix G, “Transportation and Circulation Supplemental Information.”) and are reflected in Table 6-8. Because jobs and housing would be balanced under Alternative 1, this alternative would not generate additional housing demand associated with projected population growth.

Area Plan Alternative 1 would support an increase in the development of affordable and moderate-income housing over existing conditions with implementation of the expanded secondary dwelling unit program, development incentives allowed by the Regional Plan, and Placer County requirements for new development to provide workforce housing and reductions in development fees for affordable housing. For these reasons and because the growth management system of the Regional Plan would maintain a balance of jobs and housing to meet demand, this alternative would not induce substantial population growth, either directly or indirectly, such that it would create an additional demand for housing. Therefore, Area Plan Alternative 1 would have a **less-than-significant** impact.

Alternative 2: Area Plan with No Substitute Standards

Alternative 2 would implement the Regional Plan in a manner similar to that of Alternative 1, but it would not include a boundary change to the Tahoe City town center, new special planning areas, CFA conversion to TAUs, non-contiguous project areas, or expansion of the existing secondary housing program.

Development of commercial and tourist uses and residential units in the Plan area under Alternative 2 would be limited by commodity allocations set forth by the Regional Plan, which would be the same as that described above for Alternative 1. Alternative 2 would also allow for future development to utilize Regional Plan incentives, including the Bonus Unit Incentive Program, for affordable housing development, and to direct development to town centers near employment centers. Additionally, future development under Area

Plan Alternative 2 would be subject to County requirements and incentives for development of workforce and affordable housing, which would support an increase in the supply of such housing.

Implementation of Area Plan Alternative 2 would result in an increase in the population up to 10,083 and generate up to 5,062 jobs, an increase of approximately 1,500 jobs over existing conditions. The amount of development would continue to be limited by existing allocations set forth by the Regional Plan. With an adopted Area Plan, Alternative 2 would implement Regional Plan standards for increased density in town centers, which would further incentivize development there. In addition to policies that support existing Regional Plan and Placer County efforts to meet the demand for affordable and moderate-income housing, Alternative 2 includes the same policies in Alternative 1 to further pursue opportunities to address the jobs-housing balance and provide affordable housing. With these policies and programs, implementation of Alternative 2 would expand affordable and moderate-income housing supply over existing conditions. However, because Alternative 2 would not expand TRPA's secondary dwelling unit program, this alternative would result in fewer affordable and moderate-income housing units compared to Alternatives 1 and 3.

Under Alternative 2, the growth in population, jobs, and housing would result in a jobs-to-occupied housing ratio of 1.21. Although this ratio is higher than that projected for Alternative 1, it is identical to the projected ratio for Area Plan Alternative 4, which would be a continuation of existing policies. Additionally, as discussed for Impact 6-1, a jobs-to-occupied housing ratio that is higher than 1.0 does not necessarily indicate an imbalance in workforce housing due to the number of households with more than one working member and the number of workers with more than one job (Donovan, pers. com. 2016). If this increase in the jobs-to-occupied housing ratio created additional housing demand, the residential allocations issued by TRPA would not allow additional housing to be constructed to meet this demand within the Plan area or elsewhere in the Basin. Consequently, housing demand could be unmet for up to 870 jobs generated under Alternative 2, causing those employees to seek housing outside of the Basin. Because Truckee has a wider range of housing types than nearby Martis Valley and Olympic Valley, these employees would be expected to seek housing in Truckee. However, Truckee's housing market is not dissimilar to the Tahoe Basin, in which approximately half of the housing units are used as second homes and vacation rentals. Alternative 2 could create an increase in population in areas outside of the Plan area that would result in additional housing demand, such that new housing would need to be constructed. Any future specific housing projects would undergo project-level environmental review to assess potential environmental effects and, if necessary, implement mitigation to minimize those effects.

By living outside the Plan area, these employees would commute farther to and from their jobs than if housing were available in the Plan area. This would result in some increase in vehicle miles traveled (VMT). Because the employee numbers identified in Table 6-8 and used to determine the jobs-to-occupied housing ratio are outputs of the TransCAD model used for the VMT analysis, the total VMT generated by implementation of Area Plan Alternative 2 includes the VMT associated with out-of-Basin employees commuting to and from their job sites. The effects of Area Plan Alternative 2 on VMT and other transportation and transit operations are assessed in Chapter 10, "Transportation and Circulation." Furthermore, because the air quality and noise analyses utilized the TransCAD model outputs, the potential effects on air quality and noise from increased commuting has been assessed (see Chapter 11, "Air Quality," and Chapter 13, "Noise"). The VMT for commuters is an incremental contribution to the overall amount of VMT that would result from implementing Area Plan Alternative 2.

Alternative 2 would create an increase in the jobs-to-occupied housing ratio for the Plan area. Although this increase does not necessarily represent a housing imbalance, Alternative 2 could have the potential to generate population growth in areas outside the Plan area. However, the potential for population growth under Area Plan Alternative 2 is identical to the potential growth projected for Alternative 4 (the no-action alternative) and future specific housing projects would be required to undergo project-level environmental review and implement mitigation to minimize potential adverse effects on the environment. Additionally, the effects on VMT, local roads, transit, and air quality from commuters traveling into the Basin would be proportional to the degree of commuter miles, but would not be substantial (see also Chapter 10,

“Transportation and Circulation,” and Chapter 11, “Air Quality”). Therefore, Area Plan Alternative 2 would have a **less-than-significant** impact.

Alternative 3: Reduced Intensity Area Plan

Future development of commercial, tourist, and residential uses in the Area Plan under Alternative 3 would be limited by commodity allocations set forth by the Regional Plan, which would be the same as that described above for Alternative 1. Alternative 3 would also allow for future development to take advantage of Regional Plan incentives, including the Bonus Unit Incentive Program, for affordable housing development and to direct development toward town centers near employment centers. Future development would also be required by Placer County to provide workforce housing and new development could receive reductions in development fees for construction of affordable housing. Because the secondary housing program under Alternative 3 would allow application of this program beyond 0.25-mile from transit routes and mixed-use areas, Alternative 3 creates more opportunities for affordable and moderate-income housing than Alternatives 1 and 2. As compared to Alternatives 1 and 2, Alternative 3 would allow a 25 percent increase in density for affordable housing in town centers, further incentivizing its development.

The projected permanent population of Alternative 3 in 2035 would be 9,894. As shown in Table 6-7, the number of jobs-to-occupied housing ratio projected for Alternative 3 at buildout would be slightly higher than Alternative 1; however, the ratio is 1.08, indicating a sufficient supply of housing to meet the demand. Therefore, Alternative 3 would have a **less-than-significant** impact.

Alternative 4: No Project

Implementation of Alternative 4 would be a continuation of development that could occur under existing conditions allowable under the Regional Plan and by existing Plan Area Statements and Community Plans. Future development would result in an increase in the population up to 9,796 and the same amount of job growth as Alternative 2. Development would continue to be limited by existing allocations set forth by the Regional Plan. Therefore, implementation of Alternative 4 would not result in population growth in the Plan area beyond that anticipated in the Regional Plan.

Without an adopted Area Plan, future development would not be able to implement Regional Plan provisions for increased density in town centers, which would limit their redevelopment. Alternative 4 would not expand the secondary dwelling program to allow development of a second unit on parcels less than 1 acre. Future development projects would be subject to Placer County General Plan Policy C-2 and the county’s Inclusionary Housing Ordinance, which require workforce and affordable housing in projects, payment of an in-lieu fee.

Alternative 4 does not include Area Plan policies and programs that address affordable housing needs; consequently, Alternative 4 would result in a lower amount of total and occupied housing, including affordable and moderate-income housing, compared to those alternatives. Under Alternative 4, growth in population, jobs, and housing would result in a jobs-to-occupied housing ratio of 1.21. This ratio does not necessarily indicate a housing imbalance (see discussion under Impact 6-1), however it is an increase over the 2014 jobs-to-occupied housing ratio which was reported to be 0.96. If this increase in the jobs-to-occupied housing ratio created additional housing demand, the residential allocations issued by TRPA would be insufficient to meet the demand within the Plan area or elsewhere in the Basin. The housing demand created by 894 jobs would be unmet in the Plan area. As with Alternative 2, these employees would likely seek housing outside of the Basin, possibly in Truckee.

Alternative 4 would create an increase in the jobs-to-occupied housing ratio for the Plan area. Although this increase does not necessarily represent a housing imbalance, Alternative 4 could have the potential to generate population growth in areas outside the Plan area. However, any future specific housing projects would be required to undergo project-level environmental review and implement mitigation to minimize potential adverse effects on the environment. Additionally, the effects on VMT, local roads, transit, and air quality from commuters traveling into the Basin would be proportional to the degree of commuter miles, but would not be substantial (see also Chapter 10, “Transportation and Circulation,” and Chapter 11, “Air Quality”). Therefore, Area Plan Alternative 4 would have a **less-than-significant** impact.

Tahoe City Lodge Project-Level Analysis

Alternative 1: Proposed Lodge

Under Lodge Alternative 1, the project would include a 118-unit hotel with accessory uses, including a restaurant, bar, and rooftop pool. The Tahoe City Golf Course clubhouse would be reconstructed to include additional meeting space. Lodge Alternative 1 would not include new housing that would directly generate population growth. Construction of Alternative 1 would be completed over the course of 16 to 18 months. The peak number of construction workers is anticipated to be between 100 and 120 workers at any one time. As shown in Table 6-3, 10,400 residents of Placer County and 1,465 Truckee residents were employed in the construction industry in 2014 (EDD 2015). Based on unemployment rates (11.6% for Placer County and 7.6% for Truckee as of 2014), approximately 1,200 construction employees in Placer County and 110 construction employees in Truckee could be currently looking for work in or near the Plan area. The amount of available construction workers in Placer County and Truckee, coupled with those of other areas within commute distance (e.g., Nevada County, El Dorado County, Reno), would be more than sufficient to meet the demand for construction workers that would be generated by Lodge Alternative 1. Because the local construction labor pool would be sufficient to serve project construction needs, substantial population growth or increases in housing demand resulting from project-related construction would not occur. The project would not generate the need for additional housing in the Plan area during construction. Therefore, the impact of temporary project construction activities on population growth and housing demand would be **less than significant**.

For the purposes of meeting the county's workforce housing requirement and analysis of the effects of the project on population growth and housing demand, FTEE generated by Alternative 1 was calculated and compared to existing FTEE (see Table 6-9). The Alternative 1 lodge would increase FTEE by 4.78 over the employment potential of the project site under full occupancy. As required by Placer County General Plan Policy C-2, the applicant would be responsible for the equivalent of 2.39 employee housing units, which they have indicated would be provided via in-lieu fees paid to the County in support of moderate and low income housing programs. The fee amount would be determined by the County and paid by the applicant prior to final permit approval. There would be no change in employment at the golf course clubhouse.

Alternative 1 would not directly or indirectly induce population growth that could generate additional demand for housing that, in turn, would result in adverse physical effects on the environment. In addition, Alternative 1 would comply with Placer County's 50 percent FTE employee housing requirement, to address the small increase (4.78 FTEE) in the employment potential of the site. Therefore, the project's impact on housing demand would be **less than significant**.

Alternative 2: Reduced Scale Lodge

Implementation of Lodge Alternative 2 would result in the construction of a 56-unit hotel and accessory uses. Lodge Alternative 2 would not include any changes to the Tahoe City Golf Course. Because Lodge Alternative 2 would result in a smaller lodge compared to Lodge Alternative 1, the fewer temporary construction employees would be required. Similar to Lodge Alternative 1, demand for construction employees under Lodge Alternative 2 would be met by local or nearby residents. For these reasons, the impact of temporary project construction activities on population growth and housing demand from construction of Lodge Alternative 2 would be **less than significant**.

Lodge Alternative 2 would result in displacement of existing commercial businesses and a net reduction of approximately 5 jobs (4.84 FTEE), and would not change employment demand at the golf course clubhouse (see Table 6-9). The demand for permanent employees would be met by the existing, local labor pool and would not induce population growth. Additionally, because Alternative 2 would not result in an increase in employment potential when compared to the existing employment potential of the site (represented by Alternative 4 in Table 6-9 above), the project would not be required to provide employee housing.

Alternative 2 for the Lodge would not directly induce population growth and would not include any project components that would accommodate population growth that could generate additional demand for housing or result in adverse physical effects on the environment. Additionally, because Lodge Alternative 2 would not

increase the employment potential of the site, the project would not be required to provide additional employee housing. For these reason, the project's impact on housing demand would be **less than significant**.

Alternative 3: Reduced Height Lodge

Implementation of Lodge Alternative 3 would result in the construction of a new lodge, accessory uses, and a reconstructed clubhouse similar to Lodge Alternative 1. Lodge Alternative 3 would generate the same amount of demand for construction employees as described for Lodge Alternative 1. Construction employee demand for Lodge Alternative 3 would be met by local or nearby residents. For these reasons, the impact of temporary project construction activities on population growth and housing demand from construction of Lodge Alternative 3 would be **less than significant**.

Operation of Lodge Alternative 3 would provide jobs for 58 people, which would be a net increase of 21 FTEE when compared to existing conditions. However, Alternative 3 would not result in an increase in employment potential when compared to the existing employment potential of the site (the existing employment potential is represented by Alternative 4 in Table 6-9 above). This alternative would not directly induce population growth and would not include any project components that would accommodate population growth that could generate additional demand for housing or result in adverse physical effects on the environment. Because Lodge Alternative 3 would not increase the employment potential of the site, the project would not be required to provide additional employee housing. For these reasons, the project's impact on housing demand would be **less than significant**.

Alternative 4: No Project

Implementation of Alternative 4 would rehabilitate the existing commercial buildings in order to increase tenant occupancy, which is allowed under existing conditions. Construction workers needed to complete the improvements would be much less than those that would be required for Lodge Alternatives 1, 2, and 3 and the demand for construction workers would be met by local and nearby residents. For these reasons, the impact of temporary project construction activities on population growth and housing demand from construction of Alternative 4 would be **less than significant**.

As shown in Table 6-9, Alternative 4 would provide jobs for 61 employees (61.41 FTEE), which is a net increase of 24 jobs (24.47 FTEE) over existing conditions. The demand for permanent employees would be met by the existing, local labor pool and would not induce population growth. This alternative would not include any other components that would directly induce population growth and would not include any project components that would accommodate population growth that could generate additional demand for housing or result in adverse physical effects on the environment. Alternative 4 would only enhance an existing development and would not be considered a new development project; therefore, Alternative 4 would not be subject to the county employee housing requirements for new development projects. For these reasons, the impact of Alternative 4 on population growth and housing demand would be **less than significant**.

Mitigation Measures

No mitigation is required.