

MEMO



March 15, 2018

To: Board of Directors

From: Jeff Loux, Town Manager – Town of Truckee

Subject: Workforce and Affordable Housing in the Town of Truckee

Message:

Briefly share with the TD Board and community all the various tasks and activities the Town is engaged in with respect to housing and especially work force and affordable housing. The actual discussion about short term rentals will be very brief since the Town has just begun thinking about it and has not done much yet. But, it might be valuable to get the TD Board members ideas about it. I was hoping to finish by talking about our pending update to the Town's General Plan, which we are now starting. I realize that was not on the list asked for by TD, but it seems relevant since we are hoping to get maximum community engagement by all sectors of the community including TD.

Jeff Loux

Town Manager





GENERAL PLAN

Town of Truckee

update

MARCH 13, 2018

ROLE OF A GENERAL PLAN

Long term blueprint for the community's vision of future growth and conservation

Seven mandated elements:

- Land use
- Circulation
- Housing
- Conservation

- Open space
- Noise
- Safety

WHY UPDATE A GENERAL PLAN?

- Re-evaluate the existing General Plan & vision for Truckee
- Incorporate new laws & state-mandated General Plan requirements
- Consider emerging community issues & planning strategies



WORK PROGRAM

- 2-3 year process
- Update for new State mandates
 - Traffic (VMT standard), air quality, climate adaptation & resilience, etc.
- Re-evaluate the community vision
- Public engagement driven
- Environmental review (EIR)



PUBLIC ENGAGEMENT

Outreach to all segments of the community in a way that works for them...

- ✓ Flexible hours / locations
- ✓ Pop-up locations
- ✓ Social media
- ✓ Surveys, workshops
- ✓ Paper & en español
- ✓ Open conversations



TECHNICAL/ EIR



Existing Environmental Conditions



Alternatives Analysis



Initial Study



Impact Analysis



Mitigation as Policies



Draft & Final EIR



PLAN & POLICY



Planning Background Data Trends

Land Capacity Analysis/Economics

Existing Plans & Policies

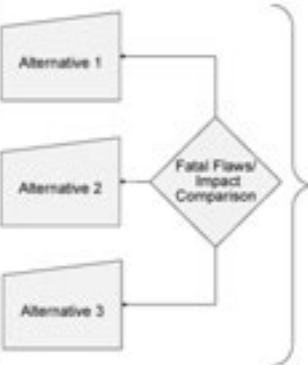
Regional Partner Plans



Existing Conditions & Issues

Alternatives

- Land Use
- Conservation
- Transportation
- Housing
- More



Preferred Plan

Plan Maps

- Land Use
- Circulation
- Housing
- Conservation and Open Space
- Community Safety/Resiliency
- Environmental Justice
- Community Character
- Noise



Analysis/Development of Policies and Actions

Other Plans

- Bike Routes
- Transit
- River Access
- Solid Waste
- Stormwater



General Plan



Specific Plan

Specific Plan

Specific Plan

On-going Monitoring



COMMUNITY ENGAGEMENT



Scoping Workshop

Website Survey

General Plan Advisory Committee



General Plan Advisory Committee

Website

General Plan Advisory Committee

Website

General Plan Advisory Committee

Website

General Plan Advisory Committee

Website

General Plan Advisory Committee

Website

General Plan Advisory Committee

Website

General Plan Advisory Committee

2018

2019

2020

2040

PUBLIC ENGAGEMENT

- Ongoing outreach throughout the process
- Continuous check-in with the community, Planning Commission and Council



TECHNICAL ADVISORY COMMITTEE



- Councilmember (& alternate)
- Planning Commissioner (& alternate)
- Housing advocate rep
- Alternative transportation advocate
- Building community rep
- Non-profit representative
- Homeowners association rep
- Developer
- Business owner (small—25 employees or less)
- Business owner (larger—more than 25 employees)
- Environmental advocate rep
- Youth member from local high school
- Community member at-large rep (one or more)

SUPPORTIVE ADVISORY TEAMS



- Specific neighborhoods (like Tahoe Donner)
- Outdoor enthusiasts
- Artists
- Home-based business operators / employees (including tech)
- At home caretakers
- Community organizations
- Industry-based interest groups
- Special Districts /agencies
- Other?

WHAT WILL THE UPDATE COVER?

Important community conversation issues....

- **Public Art**
- **Affordable Housing**
- **Sustainability**
- **Renewable energy**
- **Others**

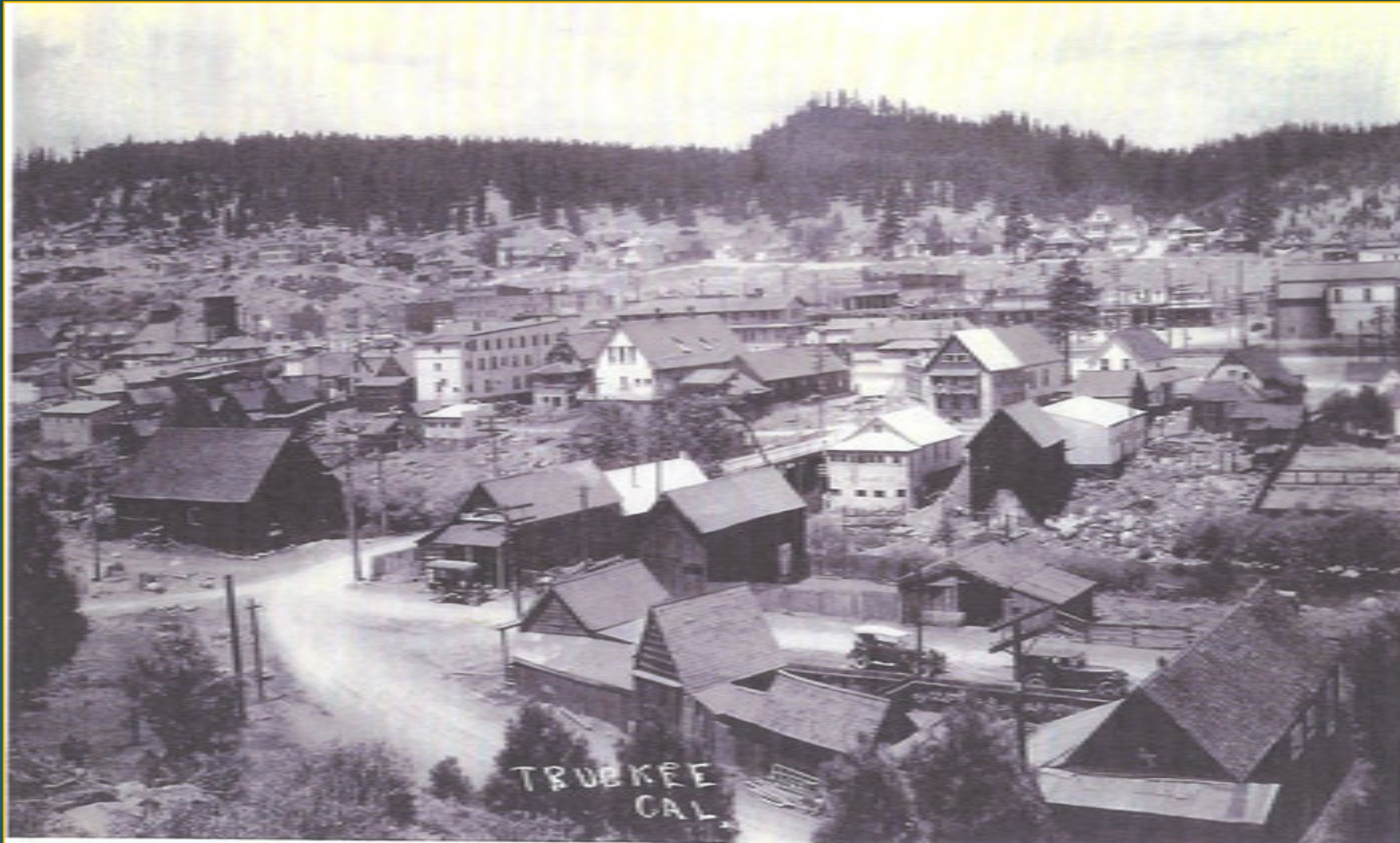


CLIMATE ACTION PLAN



Council Direction to Incorporate into the General Plan Update

DOWNTOWN SPECIFIC PLAN

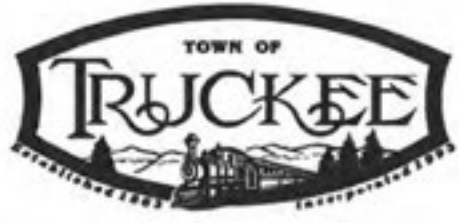


Council Direction to Update Concurrent with General Plan Update

NEXT STEPS

- Housing Element Update (on faster track)
- Council to:
 - Hire consulting firm for environmental review
 - Hire project manager
 - Establish technical advisory committee
 - Initiate public engagement process

Participate!



MEETING DATE: November 14, 2017
TO: Honorable Mayor & Council Members
FROM: Yumie Dahn, Associate Planner YD DM
SUBJECT: Council Priority – Housing Work Plan Progress Report

APPROVED BY KS for JL
Jeff Loux, Town Manager

RECOMMENDATION: Accept the Housing Work Plan progress report, accept public comment, and provide feedback to staff.

DISCUSSION: In both 2016 and 2017, the Town Council identified increasing the availability of "locals" housing through policy development, prioritization of resources, identification of new funding sources, and pursuit of regional collaboration as a key Council priority and goal. To implement this goal, Council took several actions including: participation in the now-completed 2016 Truckee-North Tahoe Regional Workforce Housing Assessment study, approval of a rezoning for a 138-unit rental housing project, Coburn Crossing, in the Downtown Study Area, and allocation of two million dollars to the project. The Town Council also earmarked \$1,650,000 million for the Railyard Truckee Artist Lofts 90-unit rental housing project with 76 restricted affordable units, prioritized staff time towards the Housing Work Plan and held a series of workshops.

Housing, housing, housing!
At the November 14, 2017 Town Council hearing, the Town Council will review three items related to housing:
1) The Housing Work Plan update;
2) The Affordable Housing In Lieu Fee update; and
3) The Workforce Housing Ordinance discussion.
While these items are provided as separate agenda items, please note that all of these topics are inter-related and should be considered comprehensively.

Three community housing workshops were held by Council on January 31, 2017, March 1, 2017, and April 19, 2017. Based on the outcomes and direction from these workshops, the Town Council approved a Housing Work Plan on May 23, 2017 (Attachment #1). Overall, the Town Council and the community acknowledged that the lack of available housing in Truckee will not be solved by one program or policy and that multiple strategies should be explored and implemented. This included consideration of a variety of approaches from simple to complex with near term actions that could be accomplished quickly in addition to strategies for challenges.

The intent of the work plan is to continue building on the existing foundation to address the housing challenges in the Truckee community. The work plan identifies the program, the objective, an estimate of staff time, start time, and anticipated report back to Town Council. All of the programs described in the work plan will require additional public hearings, outreach, and review by the Town Council. Thus far, no public hearings have been held on the actions; however, staff has continued to work on many of the actions simultaneously for greater efficiency. This staff report provides the Town Council an update on the status of the Housing Work Plan and provides Council with an opportunity to modify or reprioritize the anticipated programs, if appropriate.

Mountain Housing Council (MHC)

As part of the Housing Work Plan, the Town Council approved allocation of \$50,000/year for three years to help fund a regional housing council as well as staff time. The Mountain Housing Council was kicked off on April 29, 2017 at a community meeting. The MHC is made up of 30 members of a range of regional agency, non-profit, and business stakeholders. Since then, two quarterly MHC meetings were held on June 9, 2017 and September 15, 2017.

First Meeting

The focus of the first meeting was to review key foundational tools for the group and set a plan for future work.

The MHC identified several different work group formats that would function under the Council:

- *Ad-Hoc teams* – Short-term groups that work on specific tasks
 - One ad-hoc team was formed to develop a set of housing targets
- *Tiger Teams* – Working groups formed to develop, research, and design strategies to identified barrier areas. These groups are meant to tackle longer-term specific topics within the greater housing issues of the region.
 - Barriers to Local Housing (Cost, fees, process, etc.)
 - Regional Public Agency Land Inventory
 - Creative New Housing Types
 - Leveraging Financing
- *Deal Maker Network* – Network of housing developers, builders, land owners, employers, etc. who want to be part of the solution
 - One work group that met prior to the first Council meeting was a network of housing developers and builders currently being called, "Deal Makers." The update to the Council included: 1) Purpose and role of developer network, 2) Feedback from the first meeting regarding barriers to building local housing. Some of the barriers initially identified by the first Deal Maker session included: high cost of fees, definition of local housing, regulatory process challenges (time, complexity, incentives).
- *Think Tanks* – Public forums

In each of these work groups, a specific goal or challenge is addressed and a unique set of stakeholder are invited to participate to develop innovative solutions to the challenge.

Second Meeting

The focus of the September 15, 2017 MHC meeting was to provide housing updates and a forum for coordinating and strategizing the various efforts happening both in and outside of the Council.

Target Ad-Hoc Team Update

The team gathered relevant affordable data from the region, researched best practices from similar communities outside the region, and considered future projects in the pipeline. The

team also worked to define a clear mission and vision for the MHC, created definitions around commonly used terms including expanding the definition of “affordable” in the region to include the missing middle. The Ad-Hoc team is currently working on expanding the definition of “affordable” to “achievable” housing and anticipates creating a draft document for local jurisdictions to look at to create policy and programs around the new definition of “affordability.”

Tiger Teams Updates

- Barriers to Local Housing (Cost, fees, process, etc.)
- Regional Public Agency Land Inventory
 - Goal: Create a single regional map of land owned by local public agencies and develop criteria to identify opportunities for potential local housing projects.
 - Status: Map is being refined based on local public agency review of the inventory and development potential.
- Creative New Housing Types
 - Goal: Identify opportunities and barriers to new and creative housing types such as second units, tiny homes, co-housing, supportive housing
 - Status: Matrix of regional, current ordinances and programs in place was created. A secondary residential unit workshop may be an outcome of this group.
- Leveraging Financing
 - Tahoe Truckee Community Foundation outreach and connecting with the following: San Francisco Housing Accelerator, EDAWN, Silicon Valley Housing Trust, and 3 Core CDFI.

Deal Maker Network Updates

The MHC holds quarterly meetings with local “deal makers” (developers, land owners, and employers) to discuss concepts, projects, obstacles, and challenges. These discussions allow deal makers to link to Council work, receive feedback, and share resources. In addition, the meetings give the Council the ability to monitor conceptual and approved unbuilt projects.

In October, the Council hosted a community “Think Tank” that explored how employers can get involved in the housing solution. The panel included several individuals who shared creative tools and approaches to assist employers seeking to help provide homes for their staff.

Members of the Town Council, Town Manager, and Associate Planner have participated as a member of the MHC, within the Ad-Hoc target group, and the mapping, barriers to local housing, and creative housing types Tiger Teams. MHC meetings are held quarterly and each Tiger Team meets approximately once a month.

In addition to the information included in this staff report, Stacy Caldwell of the Tahoe Truckee Community Foundation will be present at the Town Council meeting to provide additional updates on MHC efforts as well.

Status Summary: Ongoing. The MHC is expected to continue for three years with continued collaboration across multiple jurisdictions for work on policy and programs. Outcomes from the MHC will be presented to the Town Council as they are completed.

Residential opportunity sites in the Gray's Crossing Specific Plan Area

The Town Council directed staff to continue to work with the Truckee Donner Public Utility District (TDPUD) and the two developers of the three residential opportunity sites in the Gray's Crossing Specific Plan Area to address the Mello-Roos issues and help create local housing. The sites identified are in prime locations that are centrally located and have ready access to infrastructure and utilities.

The Town continues to have open discussions with the TDPUD. The complexity of the issues, including the existing approvals and expectations for the Gray's Crossing area (adopted Specific Plan requirements, environmental review, and Development Agreement that is in default), Mello-Roos bond restructuring timeline triggers, and working with multiple parties with separate interests and timelines, are challenges. The TDPUD was anticipating formal application submittals by the two interested developers no later than September 30, 2017; however, no formal applications have been submitted by either developer. There are some minor items that the Town can initiate in anticipation of these projects, but staff believes it would be prudent to wait until an application(s) is submitted or the Housing Element rezones are proposed in early 2018.

Status Summary: Ongoing. Next steps will include application submittals and development review, including revising/restructuring the Development Agreement and environmental review.

Modify traffic and facilities impact fees (Town of Truckee fees)

The Planning and Engineering Divisions have been reviewing impact fees modifications. At this time, staff has identified a recommended methodology for the conversion from a per-unit basis to a per-square foot basis. The methodology is based on the average residential sizes within Truckee, which would be converted to the DUE (dwelling unit equivalent) to be consistent with the existing AB1600 traffic impact analysis. The facilities impact fee conversion could also be determined through a similar analysis. It is anticipated that the modification to the fee structure will be included in the Town Council's annual review of the fees which is expected in December 2017 or January 2018.

Status Summary: Modifications to the impact fees are anticipating to be presented to the Town Council in December 2017 or January 2018 with the annual fee updates.

Analyze the potential increase of second units on the housing stock

The Town Council directed staff to analyze if incentivizing second units would truly create an increase in the housing stock or if the existing restrictions from Homeowner Associations and septic requirements would make the impact negligible.

Staff is currently collecting information on HOA restrictions to determine exactly which subdivisions are prohibited from constructing secondary residential units. Based on the outcome of this research, staff will present the findings and a recommendation for next steps. The next steps may include ways to help reduce existing restrictions. Future presentations may include the total number of parcels that can accommodate a second unit under current restrictions, the impact of potential changes to the Development Code, the HOA amendment process, further discussion with Lahontan, and the potential impact of second units on the housing market if certain restrictions were lifted.

Currently, the Town's Development Code states that parcels served by a septic system that are less than three acres shall not have a secondary residential unit. This requirement is based on past

discussions with the Lahontan Water Quality Control Board and the desire to maintain a high standard of water quality in our region. The Contractors Association of Truckee Tahoe (CATT) has expressed interest in this topic and has been conducting their own research on Lahontan requirements and the number of properties on septic. Staff has not had an opportunity to talk with CATT about their findings but will do so as research on this topic evolves. Based on staff's initial research, lowering the minimum lot size for secondary units below three acres would conflict with LRWQCB requirements and could create unintended water quality and health impacts. Septic systems are living biological system and if they fail, they have to be abandoned for an extended period of time before they can be considered for re-use. The Nevada County Department of Environmental Health requires 100 percent repair area on every lot with septic, along with a deed-restriction that requires annual inspection by a professional. Truckee's rocky and heavily loam/clay soils are not ideal for septic and many properties were permitted with a limited number of bedrooms because of the poor soil conditions. This limits many properties from increasing the number of bedrooms—the threshold for septic size.

That being said, staff has spoken with several property owners in the Prosser Lakeview neighborhood that are interested in sewer, so there could be additional opportunity to work with the Truckee Sanitary District on expanding their service areas.

Status Summary: Data collection is ongoing; staff anticipates completion of analysis by late winter

Incentivize construction of second units

The Town Council directed staff to explore a program to pay for building permit fees for secondary residential units in exchange for a deed restriction for a long term rental. Staff estimates that the cost of the plan check fee, permit issuance fee, and impact fees (facilities and traffic fees) for an 800 s.f. second unit is approximately \$12,500. Details such as deed-restriction terms and language, the forgivable loan requirements, and the potential impact of prevailing wage will need to be reviewed prior to implementation. Staff has not initiated this process, but has had conversations within the framework of the Mountain Housing Council and anticipates work on this program in 2018. Staff has also had conversations with Placer County who rolled out a similar program earlier this year. Placer County stated that, thus far, interest in the program is low.

The Town is working with the Mountain Housing Council to roll out a secondary residential unit incentive package and information campaign. This may include workshops after business hours to help homeowners understand the process and regulations.

Status Summary: Details on a second unit package have not been completed. An educational package will be created to go hand-in-hand with the modifications to the Development Code described in the next section. Additionally, the Town is working with the MHC to create an information campaign for second units.

Modify the Development Code to incentivize second units

Development Code amendments to the Secondary Residential Unit Ordinance have been reviewed by the Planning Commission and are anticipated to be reviewed by the Town Council in December 2017. The proposed Development Code amendments reduce parking requirements, allow conversion of legally constructed garages within the front yard setback to secondary residential units, and reduce setbacks for a secondary unit that is constructed above or below a legally constructed garage, and introduces Junior Accessory Dwelling Units as a new option. Junior Accessory Dwelling Units are dwelling units that are no more than 500 s.f. in size and contained entirely within an existing single-family structure and requires the inclusion of an existing bedroom. It

include a small kitchenette” a small sink, appliances that do not require electrical service greater than 120 volts, or natural or propane case, and small minimal cabinets. The sanitation facilities may be included or may be shared with the main residence.

If Council adopts these changes, staff would prepare an educational document that outlines the requirements and the process to pursue construction of a secondary residential unit. Staff anticipates that this document would be available in February when the ordinance is expected to be in effect.

As previously stated, Town staff also contacted the Lahontan Regional Water Quality Control Board to determine if they would be willing to support a reduction or removal of the restriction allowed parcel size for secondary residential units. Lahontan was not open to the idea of supporting a lift in this requirement. However, CATT has offered to take on a role in working with Lahontan to see if there is any way to consider this in the future.

Status Summary: Details on a second unit package have not been completed. An educational package will be created to go hand-in-hand with the modifications to the Development Code described in the next section. Additionally, the Town is working with the MHC to create an information campaign for second units.

Incentivize conversion of second homes to long term rentals

The Town Council directed staff to look at potential methods to incentivize conversion of second homes to long term rentals. The Mountain Housing Council has reached out to Summit County in Colorado to understand their “Housing Works Initiative” (<http://www.summitfirc.org/assistance/housing-works-initiative/>) which connects renters with new properties that are available in the community. This program matches property owners who are willing to convert from short-term vacation rentals to long-term leases with people working in the area who are struggling to find year-round housing. There are requirements for local income, a household income of \$40,000/year, and a one-year lease. The program helps lower move-in costs with payment of the first month’s rent and a portion of the security deposit for tenants. For landlords, the program provides guaranteed rent payments, free property management services, and qualified tenants. Initiating a similar program in Truckee would require an additional housing entity, or, at the minimum, a dedicated staff person to administer and manage the program. If the Town does pursue this option, it may need to consider six month leases as well for landlords that would like use of their property during specific seasons.

If a parcel tax is pursued and passed by the voters, then the parcel tax may be tiered for primary residents and long term rentals. This component will be included in the analysis of potential funding sources.

Currently, no clear program has taken shape, but staff continues to explore the options and will provide updates to the Town Council as they arise. This subject is intertwined with short term vacation rentals which Council did not necessarily identify as a primary focus, however, staff is receiving more and more input from community members concerned with second home use for short term rentals. Staff believes that there is merit in considering incentives targeted to short term rental properties in addition to those that are vacant or used seasonally by the second homeowners. This is likely to be a time consuming endeavor and could be addressed separately as part of a broader short term rental discussion, should the Council be interested.

Status Summary: Ongoing. Currently, no clear program(s) has been identified, but staff continues to explore the options and will provide updates to the Town Council as they arise.

Analyze potential funding sources

The Town reached out to BAE Urban Economics (BAE) and Economic and Planning Systems (EPS) to provide proposals for an analysis of potential funding sources to help support housing programs within the Town. On August 24, 2017, the Town hired BAE Urban Economics to complete an analysis of the potential viability of establishing one or more of several new funding sources to provide a dedicated, ongoing source of funding to support affordable housing development, operation, and maintenance. The analysis focuses on three key options: a one-half percentage sales tax add-on, a two percent increase in local transient occupancy tax, and a \$50 annual parcel tax. The study will look at the Truckee-North Tahoe region as was analyzed in the 2016 Regional Housing Study.

Staff has provided information regarding the current transient occupancy tax and sales tax revenues and provided appropriate contacts to BAE for Nevada and Placer Counties. BAE has provided a draft copy of the study which staff is currently reviewing. Staff anticipates bringing the study to the Town Council in January or February 2018 for review and direction.

Status Summary: BAE has provided a draft copy of the study which staff is currently reviewing. Staff anticipates bringing the study to the Town Council in January or February 2018 for review and direction.

Modify zoning to incentivize residential opportunity sites

The Town anticipates that the rezones identified as residential opportunity sites within the 2014-2019 Housing Element will be presented to Planning Commission and Town Council in early 2018. Staff is also reviewing the Development Code density requirements for mixed-use developments and the General Commercial (CG) zoning district and expects to package these changes with the modifications driven by the Housing Element.

The timeline for the land use plan for the Envision DPR corridor has not been identified.

Status Summary: Rezones for the Housing Element will be presented to the Planning Commission and the Town Council in early 2018.

Other items

Workforce housing requirements

On May 9, 2017, the Town Council authorized a contract with BAE Urban Economics (BAE) for a Workforce Housing Ordinance Feasibility Analysis. BAE completed the study on September 18, 2017. The findings of the study and staff analysis are being presented as a separate item on this Town Council agenda. Based on the direction from Town Council on the Workforce Housing Ordinance agenda item, staff will bring back recommended language for review and approval at a future meeting.

Affordable housing in-lieu fee update

In March 2017, the Town hired BAE Urban Economics to provide economic consulting services to update the affordable housing in-lieu fee. The findings of the study and staff analysis are being presented as a separate item on this Town Council agenda.

Truckee Artist Lofts

The Artist Lofts was approved to consist of a 121,000 s.f. building with 77 residential units (66 income-restricted to extremely-low and low-income households, 10 market-rate units, and one manager's unit) and 3,855 s.f. of commercial floor area. On October 10, 2017, the Town Council approved a \$250,000 increase of the Town's loan amount to \$1.65 million to help with the developer's 4% low-income housing tax credits application. This also included support for an increase in the number of total units to 90 and the number of affordable to 76. The Artist Lofts is an approved affordable housing project that would provide significant affordable housing to the Railyard Master Plan Area, including a variety of rental units for households whose needs are not currently met in the community. The outcome of the 4% tax credit application is anticipated in December 2017 and the applicants are targeting a spring 2018 construction start.

Coburn Crossing

Triumph Development has submitted the Parcel Map for the Coburn Crossing project, the 138 residential units and 114 hotel units project approved in January 2017. A subdivision improvement agreement with improvement plans has been executed with a 60-day deferral on payment of the bonds for the improvements based on approval by the Town Council. Triumph anticipates that the property will be purchased by the end of November and the parcel map will be recorded immediately afterward. Once the parcel map is recorded, the applicants anticipate that the design agreement for the roundabout will be executed and construction of the off-site improvements to commence in 2018. Town staff is working with the applicants to draft deed restriction language for the residential units of the project which will be brought to the Town Council for review and approval in 2018.

NEXT STEPS

This report provides the Town Council and the public with an update on the current status of the Housing Action Plan programs. The Town Council may provide feedback to staff on any and all items, add additional programs, and/or reprioritize these items. Staff will continue to work on the programs and anticipates several public hearings to discuss these programs, including integration with the upcoming General Plan Update.

ATTACHMENTS:

1. May 23, 2017 Housing Action Plan
2. Summaries from the Mountain Housing Council meetings



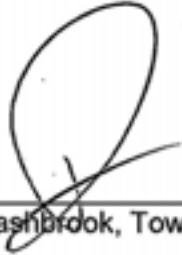
Attachment #1
11/14/2017 Town Council Meeting
Housing Work Plan Update
May 23, 2017 Housing Work Plan

MEETING DATE: May 23, 2017

TO: Honorable Mayor & Council Members

FROM: Yumie Dahn, Associate Planner *YD*

SUBJECT: Housing Work Plan

APPROVED BY 
Tony Lashbrook, Town Manager

RECOMMENDATION: Review the proposed Housing Work Plan, prioritize the proposed tasks, and direct staff to move forward with the Work Plan.

DISCUSSION:

Background

At the August 23, 2016 Town Council meeting, the Town Council reviewed the completed Truckee North Tahoe Regional Workforce Housing Needs Assessment and directed staff to plan multiple housing workshops to take a more in-depth look at the housing issue and to get the process moving sooner rather than later.

Since then, the Town Council has held three community housing workshops on January 31, 2017, March 1, 2017, and April 19, 2017. The January 31, 2017 workshop provided an overview of the housing study, the policies and programs that the Town has implemented already, and breakout stations to obtain community ideas and potential solutions and to answer any questions. The breakout stations provided opportunities to discuss regulations, non-governmental partnerships and actions, innovative ideas, funding sources, and incentives. This workshop was essentially a brainstorming session. Approximately 80-90 community members attended this workshop.

At this Housing Workshop, the Town Council committed to pursuing two activities: 1) Participation in the proposed housing council (subject to Placer County's commitment to participate), including dedicating \$50,000 per year for three years from the General Fund Housing Designation; and 2) Dedication of staff to work proactively with the Truckee Donner Public Utility District (TDPUD) and the two developers that have signed an MOU with the TDPUD on three housing development sites within the Gray's Crossing Specific Plan area to maximize the opportunities for "locals" housing while resolving the financial challenges within the Gray's Crossing Community Facilities District.

At the second community housing workshop, held on March 1, 2017, staff provided a brief overview of the takeaways from Housing Workshop #1, with the majority of the time allocated toward breakout table sessions. Staff facilitated five table sessions on tiny homes/second units, funding, short-term

rentals, residential development opportunities, and impact fees/incentives/development standards. These items were identified as important issues from Housing Workshop #1 that warranted deeper discussion. The intent of the table sessions was to flesh out programs, determine constraints, and create realistic solutions. Three sessions of 35 minutes, 25 minutes, and 25 minutes, were allotted. People were assigned topics for the first session, but were encouraged to go to the topics that interested them the most for the second two sessions. Approximately 70-80 community members attended this workshop. See Attachment #2 for the Housing Workshop #2 Summary.

On April 19, 2017, the Town Council conducted a third housing workshop. This workshop was a status update on the information collected in the first two housing workshops and a discussion on potential next steps and programs. The workshop format resembled more of a regular Town Council meeting with a staff presentation, public comment, and Council discussion. The Town Council reviewed the programs that were discussed in the two previous housing workshops by community members and provided direction to staff:

1. Move forward with modifying impact fees.
2. Analyze the potential impact of second units on the housing stock.
3. Incentivize construction of second units.
4. Incentivize conversion of second homes to long term rentals.
5. Analyze potential funding sources.

The Town Council also directed staff to look at the midterm actions sooner rather than later:

- Review the Development Code for ways to encourage second units.
- Review zoning to incentivize residential opportunity sites.

Overall, the Town Council and the community acknowledged that the lack of available housing in Truckee will not be solved by one program or policy and multiple strategies should be explored and implemented.

Work Plan

In both 2016 and 2017, the Town Council identified increasing the availability of "locals" housing through policy development, prioritization of resources, identification of new funding sources, and pursuit of regional collaboration as a key Council goal. The Town Council participated in the now-completed 2016 Truckee-North Tahoe Regional Workforce Housing Assessment study, approved a rezoning for a 138-unit rental housing project in the Downtown Study Area, and allocated two million dollars to the project, and the Town Council has also earmarked \$1.4 million for the Railyard Artist Lofts 77-unit affordable housing project.

The intent of the work plan is to continue building on the existing foundation to address the housing challenges of the Truckee community. The work plan identifies the program, the objective, an estimation of staff time, start time, and anticipated report back to Town Council. All of the programs described in this work plan will require additional public hearings, outreach, and review by the Town Council.

1. Modify Impact Fees

These fees serve the purpose of mitigating the impacts of development. The Town traffic and facilities fees are used to help fund road infrastructure and maintenance as well as government facilities for services such as law enforcement, animal services, and stormwater management. However, impact fees are often viewed as a constraint on development. Rather than use flat fees for

single-family and secondary residential units, using a per square foot cost, similar to the fire, recreation, and school fees, would allow smaller units to pay lower impact fees.

While this modification will not necessarily create new local housing immediately, it will reduce the constraint on development of smaller units. Smaller homes are generally more affordable than larger homes and permanent local residents are more likely to live in a modest sized house in comparison to second homeowners. This conversion would be applied to all residential projects, including single-family homes, multi-family homes, and second units.

Since the AB1600 traffic impact analysis was completed in early 2016, the numbers and analysis of the traffic impact fee projects do not need to be updated. The modification to the impact fees can be done at the staff level. Based on the projects that are required to be built through the traffic impact fee program, the remaining buildout of the Truckee area, and the average home size built in Truckee in the past five years (or more), staff can convert the current per unit basis to a square footage basis.

Staff time:

- 10% Planner for four months
- 10% Engineer for four months

Timeline:

- Start: Immediately
- Report back to the Town Council: Fall 2017.

Outreach: This item will be reviewed by the Town Council at a public hearing prior to adoption.

2. Analyze the potential impact of second units on the housing stock

Second units were identified as a potential key program to increase the housing stock in existing residential subdivisions. However, Homeowner Associations' rules and regulations are a big constraint on development of new second units. Additionally, many of the older subdivisions are constrained by the lack of public sewer which reduces the potential for additional development onsite.

In order to truly understand the impact second units may have on the housing stock, the Town Council requested further analysis. The analysis would look at where second units are feasible based on HOA and septic requirements, review of the exact HOA restrictions, the process for changing them, and contacting other agencies regarding flexibility in septic requirements would also be completed.

Staff time:

- 10% Planner for three months
- 15% Administrative Analyst II for three months

Timeline:

- Start: Within two months.
- Report back to the Town Council: Fall 2017.

Outreach: This item focuses on data-gathering. Once the analysis is completed, staff may provide recommendations on next steps. Based on any direction of the Town Council at that time, an action plan with community engagement strategy will be identified.

3. Incentivize construction of second units

In an effort to encourage second units within the community sooner rather than later, staff proposes to explore a program to pay for building permit fees for secondary residential units in exchange for a deed restriction for a long term rental. Staff estimates that the cost of the plan check fee, permit issuance fee, and impact fees (facilities and traffic fees) for an 800 s.f. second unit is approximately \$12,500. In the last year, only one secondary residential unit was applied for and issued. Staff recommends that at least five secondary residential units (or approximately \$60,000) should be programmed for the first year. Details such as deed-restriction terms and language, the forgivable loan requirements, and the potential impact of prevailing wage will need to be reviewed prior to implementation.

Additionally, staff will reach out to community organizations such as the Contractor's Association of Truckee Tahoe to determine interest in volunteering time/effort into creating stock building plans for secondary residential units to provide an additional incentive and assistance.

Staff time:

- 10% Planner for three months to kick-off program
- Collaboration with the Chief Building Official and Town Attorney.

Timeline:

- Start: Within two months.
- Report back to the Town Council: Fall 2017.

Outreach: Town staff will work on the details of the program, including outreach to outside organizations, and report back to Town Council with a recommended action and outreach/education strategy.

4. Incentivize conversion of second homes to long term rentals

The Town Council recognized opportunity in the large amount of homes that are either seldom used throughout the year by second home owners or are used only by short term renters. The Town Council directed staff to look at potential methods to incentivize conversion of second homes to long term rentals. Generally, incentives would have to outweigh the benefits of short term rentals or second homes and/or ease the burden of long term renting. The purpose of this action is to define potential incentives and develop a community engagement strategy. This action may also require a separate housing entity to administer potential programs in addition to reliance on the Mountain Housing Council of Tahoe Truckee to implement a regional effort. Regional collaboration would be a key component to creating a successful program. Potential incentives may include:

- Property management and rental assistance. Often, long-term rentals are seen as burdens to potential landlords. Tenant laws in California are seen as deterrents to potential landlords and consistent and diligent management to protect the landlord/tenant relationship would provide a helpful source of support.
- Managing a pool of six-month leases to allow for second home owners to use their vacation homes during the season they enjoy visiting Truckee.
- If a parcel tax is passed by the voters, then the parcel tax may be tiered for primary residents and long term rentals.

Staff time:

- Staff time necessary for this program is unknown and will be based on what programs are analyzed.

Timeline:

- Start: Immediately
- Report back to the Town Council: Summer 2018.

Outreach: This item focuses on data-gathering. Once the analysis is completed, staff may provide recommendations on next steps. Based on any direction of the Town Council at that time, an action plan with community engagement strategy will be identified.

5. Analyze potential funding sources

Funding sources such as a parcel tax, increased Transient Occupancy Tax, and increase in sales tax require a wide-ranging effort. The initial step would be to hire a consultant to study the potential impacts/comparison of these taxes, potential financial impact that could come out of these taxes, feasibility, probability of success, other like programs, other potential funding sources that have not been reviewed, etc. Any potential tax should be considered on a regional basis so as to not give one segment of the North Tahoe area all the burden and/or benefit of the tax. Regional collaboration with adjacent counties should be initiated as soon as possible.

Staff has contacted Bay Area Economics for a scope of work on the study. The preliminary scope identifies the following tasks and cost:

- Confirm Regional Study Area and Compile Baseline Data
 - Estimate existing annual taxable sales \$3,000
 - Estimate existing annual transient occupancy tax receipts \$3,000
 - Collect and compile parcel data \$2,000
- Estimate Potential Annual Revenues from Funding Sources \$2,000
- Identify Requirements for Establishment of Funding Sources \$7,500
- Prepare Administrative Draft and Draft Memo \$3,000
- (Optional) Present Draft Memo in Public Meeting \$2,500
- Prepare Final Memo and Present to Town Council \$2,000

Expenses (only to be spent if Counties cannot provide adequate data for Study Area)

Dun & Bradstreet business data	\$500
Nielsen/ESRI business data	\$300
Short-term rental lodging data	\$1500

TOTAL BUDGET, not including optional task and data purchases: \$22,500

TOTAL BUDGET, including optional task and data purchases: \$27,300

Staff will also reach out to other companies to provide their scope of services for review and comparison. The cost of this study will be paid through the \$65,000 that was placed in a Capital Improvement Project to fund housing matters or to offset the cost of staff time.

Staff time:

- Planner: 10 hours to obtain different scopes and formalize a contract and ongoing support for the consultant.

Timeline:

- Start: Immediately

- Report back to the Town Council: Depends on consultant.

Outreach: This item focuses on data-gathering. Once the analysis is completed, staff may provide recommendations on next steps. Based on any direction of the Town Council at that time, an action plan with community engagement strategy will be identified.

6. Modify the Development Code to incentivize second units

The Town is currently reviewing the Development Code language to update the second unit ordinance to be in compliance with state legislation. This includes reducing parking requirements and connection fees. Overall, with the inclusion of the reduction in parking requirements, the Town's second unit ordinance is relatively permissive. However, staff will look at ways to incentivize long term rental of second units. This may include allowing larger second unit sizes for units and/or stock building plans for applicants that allow deed restrictions for long term rentals on the property. Additionally, research is currently being conducted to determine whether parcel size requirements for property's on septic can be modified to be more permissive. This discussion requires collaboration with outside agencies. In addition to reviewing the second unit requirements, Planning Commission and staff will review other opportunities in the Development Code to incentivize housing.

Staff time:

- Planner: 20% for two months

Timeline:

- Start: Immediately
- Report back to the Town Council: Summer 2017

Outreach: A community engagement strategy will be developed once specific action items are identified. The Planning Commission may be engaged to review and suggest changes in the Development Code in a public workshop. Any changes to the Development Code will be reviewed by both the Planning Commission and the Town Council at noticed public hearings. Outreach at community events such as Truckee Thursday may be considered to have an opportunity to hear the community's (including second homeowners) opinion on desirable incentives.

7. Modify zoning to incentivize residential opportunity sites

The Town will continue to implement the rezones identified within the 2014-2019 Housing Element. Additionally, staff recommends initiating a land use plan component of the Envision DPR project. This segment of Truckee is anticipated to begin construction of new sidewalks, roundabouts, and landscaping in 2018. In conjunction with this effort, there is opportunity to create a land use plan for the Gateway area to incentivize revitalization of the area. Through this process, the Planning Commission and staff will review the Development Code for opportunities to incentivize development in the Envision DPR project area to encourage construction of a mix of commercial and residential uses to create a more vibrant and walkable neighborhood for locals. The end product of this effort could be updates to the Development Code and/or a land use plan specifically for this area. Further development of this action plan will continue through the General Plan and Housing Element update process.

Staff time:

- Community Development Director: 10% over six to eight months
- Planning Manager: 5% over six to eight months

- Planner: 20% over six to eight months
- Planning Commission workshops

Timeline:

- Start: In the next three to four months
- Report back to the Town Council: Winter 2017/2018 for Development Code updates and/or spring/summer 2018 for a land use plan and Housing Element rezones.

Outreach: A community engagement strategy will be developed once specific action items are identified. The Planning Commission may be engaged to review and suggest changes in the Development Code in a public workshop. Any changes to the Development Code and/or adoption of a land use plan will be presented to both the Planning Commission and the Town Council for adoption. Outreach at community events such as Truckee Thursday may be considered to have an opportunity to hear the community's opinion on desirable incentives in these residential opportunity sites.

Additional Items

BAE Urban Economics, an urban economics and development advisory consulting practice, is currently working on an updated affordable housing in-lieu fee calculation method. Additionally, at the May 9, 2017 Town Council meeting, the Town Council authorized execution of a contract with BAE Urban Economics to analyze the impact of the Workforce Housing Ordinance. Both the updated in-lieu fee and the findings from the workforce housing feasibility study will be presented to the Town Council in July 2017.

Staff will continue to work with the Mountain Housing Council on regional collaboration efforts and on the Gray's Crossing residential opportunity sites with the developers and Truckee Donner Public Utility District.

FISCAL IMPACT: The fiscal impact for these programs will primarily be the cost of staff time, the cost of the consultant to review potential funding sources which has been preliminarily estimated at \$22,500 to \$27,300, and the cost of building permits and Town impact fees for secondary residential units (proposed: \$60,000). The funding for the study and potential additional staff time will be paid through the \$65,000 CIP fund that is proposed in the budget. If the amount of the chosen consultant is or exceeds \$30,000, staff will return to Town Council for approval. The funding for the secondary residential unit building permit program will be reviewed at a future Town Council meeting for the action item.

As part of the discussion, Town Council should consider the impact the Housing Work Plan will have on staffing. The Town Council should consider whether additional permit assistance should be hired; acknowledge that the additional work may require a slowdown in the current planning review process; or defer special studies such as the Arts Master Plan, Riverview Corp Yard Facilities Plan, or Airport Sphere Amendment until a later date. At the March 14, 2017 Town Council meeting, the Town Council approved the Planning Division FY 17/18 Work Program Prioritization which included the following prioritization for reference:

High Priority Projects:

- Housing
- Cannabis Dialogue
- Railyard Master Plan implementation

Medium Priority Projects:

- Development Code updates
- Special Event Policy
- Arts Master Plan
- Climate Action Plan
- West River Site Redevelopment
- 2018 General Plan update

Lower Priority Projects:

- Business License Feasibility
- McIver Dairy
- Envision DPR Corridor Land Use Plan – which has been re-prioritized and included in the Housing Work Plan
- Riverview Corp Yard Facilities Plan
- Airport Sphere Amendment
- Woodstove Replacement Program

In addition to these projects, the Planning staff continues to work on building permit reviews and current planning development review.

PUBLIC COMMUNICATIONS: Standard noticing of this Council meeting and agenda has been provided.

ATTACHMENTS:

Attachment 1: Housing Workshop #3 Status Report

Attachment 2: Housing Workshop #3 Minutes



HOUSING WORKSHOP #3

status report

Workshop Timeline

6:00 pm to 6:10 pm	Welcome
6:10 pm to 6:30 pm	Staff presentation
6:30 pm to 7:15 pm	Public comment on the Housing Workshop topics and questions
7:15 pm to end	Town Council discussion

Purpose

The purpose of this workshop is to provide a status report on Housing Workshops #1 and #2 and provide direction to staff on a preliminary housing strategy with immediate, midterm, and long terms actions to encourage and incentivize the construction and availability of locals and/or affordable housing. A formal action plan will be brought back to Town Council at a future regular meeting.

Summary

At the August 23, 2016 Town Council meeting, the Town Council reviewed the completed Truckee North Tahoe Regional Workforce Housing Needs Assessment and directed staff to plan multiple housing workshops to take a more in-depth look at the housing issue and to get the process moving sooner rather than later.

Since then, the Town Council has held two community housing workshops on January 31, 2017 and March 1, 2017. The January 31, 2017 workshop provided an overview of the housing study, the policies and programs that Town has implemented already, and a breakout stations to obtain community ideas and potential solutions and to answer any questions. The breakout stations provided opportunities to discuss regulations, non-governmental partnerships and actions, innovative ideas, funding sources, and incentives. This workshop was essentially a brainstorming session. Approximately 80-90 community members attended this workshop. The top takeaways from this workshop included the following ideas (See Attachment #1 for full summary):

- Modification of Town impact fees (traffic and facilities) to a square footage basis.
- Actively pursue and participate in projects that have the potential to create new "locals" housing.
- Develop stock building plans.
- Consider additional regulation of short term rentals

- Increase Transient Occupancy Tax on short term rentals and earmark these funds for housing.
- Subsidize development of affordable or local housing (impact fees, infrastructure requirements, etc.
- Overall support to incentivize and reduce cost for second units.

At this Housing Workshop, the Town Council committed to pursuing two activities: 1) Participation in the proposed housing council (subject to Placer County's commitment to participate), including dedicating \$50,000 per year for three years from the General Fund Housing Designation; and 2) Dedication of staff to work proactively with the Truckee Donner Public Utility District (TDPUD) and the two developers that have signed an MOU with the TDPUD on three housing development sites within the Gray's Crossing Specific Plan area to maximize the opportunities for "locals" housing while resolving the financial challenges within the Gray's Crossing Community Facilities District.

At the second community housing workshop, held on March 1, 2017, staff provided a brief overview of the takeaways from Housing Workshop #1, with the majority of the time allocated toward breakout table sessions. Staff facilitated five table sessions on tiny homes/second units, funding, short term rentals, residential development opportunities, and impact fees/incentives/development standards.

HOUSING WORKSHOP #3

These items were identified as important issues from Housing Workshop #1 that warranted deeper discussion. The intent of the table sessions was to flesh out programs, determine constraints, and create realistic solutions. Three sessions of 35 minutes, 25 minutes, and 25 minutes, were allotted. People were assigned topics for the first session, but were encouraged to go to the topics that interested them the most for the second two sessions. Approximately 70-80 community members attended this workshop. See Attachment #2 for the Housing Workshop #2 Summary.

Housing Workshops #1 and 2 produced a series of valuable ideas, proposals and opportunities for expanding Truckee's work force and affordable housing stock. Some options are immediate actions the Town could take; some are long term policy initiatives that will involve multiple organizations and agencies/special districts from non-profits to Placer and Nevada Counties to the Town. Some options are funding based, incentive based, zoning and land use based and regulatory based. Any of the ideas would require considerable staff time from Planning and other Divisions of the Town, and each will involve engagement of the community (and may be controversial).

The workshops had strong engagement and commitment from community members, agency and business partners, and decision-makers. The ideas that were formulated will be used to develop immediate, midterm, and long-term policy

direction. They will continue to be used as a resource for ongoing housing-related discussion and programs.

The following tables represent immediate and mid-term actions that staff recommends pursuing based on the collective workshop input. The intent is to develop a locals housing strategy to encourage and incentivize the construction and availability of housing to serve Truckee's local population. This includes concrete actions that might produce housing units quickly, while creating policy and directives that will continue to address housing demands in the future. Please note that the following list identifies potential ideas and programs that have come from the community, with some minor edits from staff based on feasibility. This list is not intended to be exhaustive and ongoing flexibility and review should be required to keep the strategy relevant.

Staff anticipates that any programs or policies that are implemented will be fully analyzed and go through a full public review process in which the public will have opportunity to provide comments. Staff has also identified the possible cost and/or staff commitment required for implementation of each identified item. Potential fiscal impacts are estimated within this staff report. However, as the programs are analyzed and the public process is formalized, these numbers will vary. All programs will require a separate public process and final Council approval.

In-Progress Actions

The following programs were reviewed by Town Council at Housing Workshop #1. Staff was directed to actively pursue these items along with working with the development teams for the Artist Lofts and Coburn Crossing, which are also immediate actions that are already underway.

Create Regional Housing Council*

Description:	A regional housing entity that engages regional stakeholders including the Town and the Counties, special districts, business, real estate, housing advocates, social services and environmental groups, that can advocate at all levels of government and implement an action plan to expand, diversify, and increase affordability of the regional housing supply. The Regional Housing Council would also take the lead on on-going housing policy and programs that require community and multi-jurisdictional collaboration.
Town Cost:	\$50,000/year for first three years; re-evaluate after the first three years
Anticipated staff time (%):	10% - planner to assist the Regional Housing Council and to act as a Town representative

Residential opportunity sites in the Gray's Crossing Specific Plan Area	
Description:	Work with the Truckee Donner Public Utility District and the two developers of the three residential opportunity sites in the Gray's Crossing Specific Plan Area to address the Mello-Roos issues as well as create locals housing. These sites are in prime locations that are centrally located and have ready access to infrastructure and utilities.
Town Cost:	Prior to application submittal: Staff time After application submittal: Cost borne by the applicant
Anticipated staff time (%):	Prior to application submittal: <ul style="list-style-type: none"> • 10% from the Town Manager • 5% from the Community Development Director • 10% from the Planning Manager • 10% from a planner until application submittal. After application submittal: <ul style="list-style-type: none"> • 5% - Town Manager; • 5% - Community Development Director • 20% - Planning Manager • 75% - Planner
Anticipated Outcome:	Potential for 89 single-family cottage units for locals and 40 for-sale multi-family units for locals. Additionally, 40-50 single-family or multi-family units available on the open market.
Probability of Implementation:	High - The developers, the Town, and the TDPUD are all motivated to develop these opportunity areas in an efficient manner.

Workforce Housing Requirements	
Description:	The Workforce Housing Ordinance requires nonresidential projects provide housing for a portion of employees generated by the project. The Workforce Housing Ordinance was temporary suspended in 2011, 2012, and 2013 and partially reactivated in 2014 to 2016. The Town Council recently requested more information regarding the impacts of full implementation. Additional information is also being gathered to update the affordable housing in-lieu fee based on the current market and is expected to return to the Town Council for review in mid-summer 2017.
Town Cost:	Cost of update: Consultant Cost: \$15,000 Staff time for update Once updated: Cost borne by the applicant through application process.
Anticipated staff time (%):	Staff time: 5% Planner for 5 months
Anticipated Outcome:	To ensure that new projects mitigate the impacts on housing.
Probability of Implementation:	High - The workforce housing requirements are already adopted by the Town.

HOUSING WORKSHOP #3

Immediate Actions

There are several programs that came out of the Housing Workshops that staff can begin work on in the immediate term. Currently, staff is working on these projects. These projects may create immediate units on the ground or are policies that staff can begin work on immediately but may take time to implement or fully develop.

Proposed Program – Modify impact fees (traffic and facilities)

These fees serve the purpose of mitigating the impacts of development. The Town traffic and facilities fees are used to help fund road infrastructure and maintenance as well as government services such as law enforcement, animal services, and stormwater management. However, impact fees are often viewed as a constraint on development. Rather than use flat fees for single-family and secondary residential units, using a per square foot cost, similar to the fire, recreation, and school fees, would allow smaller units to pay lower impact fees.

Description: Modify impact fees to be based on square footage rather than a flat fee (with additional fees for more than three bedrooms). This may include looking at potential for tiered impact fees and/or reducing fees for second units specifically.

Town Cost: Staff time – it is likely that the conversion from dwelling unit/bedroom calculations to square footage can be done at the staff level.

Anticipated staff time (%): 10% - Planner for three months
10% - Engineer for three months

Anticipated Outcome: It is unlikely that the change in calculation method will disincentivize second homeowners from constructing a desired home size. The modification would reduce the cost of constructing for both local and second/vacation homeowners building smaller homes. Smaller homes are generally more affordable than larger homes. An indirect benefit could also be the construction of more compact homes which tend to be more efficient homes, which also contributes to affordability. A new method based on square footage would address common construction techniques of creating media rooms, lofts, offices, etc. to avoid paying higher fees for increased number of bedrooms. Changing the fee structure may encourage other agencies to review and revise their fee structure.

Probability of Implementation: High - The analysis needed to complete this conversion will be minimal and can be done at the staff level.

Pros: This will benefit homeowners that build smaller housing units.

Cons: No requirements for occupancy can be applied since this would be applied to all permits.

Proposed Program - Second Units Program

Second units were identified as a key component to addressing Truckee’s housing needs. The second units do not have any land costs, can be built in already existing subdivisions, can use underutilized land (such as allowing a second homeowner to have a second unit for long-term rental) and can assist in the cost of owning the main home. The main constraint of a potential second unit program is homeowner association (HOA) restrictions in older subdivisions that prohibit the construction of second units or prohibit the rental of second units. Additionally, many

of the older subdivisions are constrained by the use of septic systems which reduces the potential for additional development onsite.

This is a multi-faceted program that could include reducing impact or other fees for second units, considering an amnesty program for existing unpermitted second units, campaigning HOAs to lift or alleviate second unit restrictions (soften or create a limited pool of second units), creation of stock building plans. All of these potential programs would have to be analyzed and a public process would be required.

Proposed Program - Second Units - Amnesty program for existing unpermitted second units

Description:	This program may include incentives such as after-the-fact building permit fees paid by the Town, with a deed-restriction for long-term rentals. This would be most beneficial if completed in conjunction with the impact fee review.
Town Cost:	Approximately \$8,900 per permit (does not include impact fees) and staff time to review and administer the program.
Anticipated staff time (%):	20% - Planner to create program Once implemented: Approximately two planner hours per permit, annual review
Anticipated Outcome:	This program is tied to the “Campaign HOAs” program below. If HOAs allow for second units or allow for a limited amount of second units, then the amnesty program would be more successful. However, if successful, this would not necessarily increase the housing stock, but could make more second units available to long term renters. (Rough estimate - 10)
Probability of Implementation:	Low - It will be dependent on the HOAs’ willingness to discuss and change their regulations. Many of the unpermitted second units are in subdivisions that do not allow second units.
Pros:	This program has the potential to bring second units into compliance and create safer living conditions.
Cons:	This would not increase the amount of housing in Truckee and may reward those that have not followed the rules if other similar types of programs are not implemented for new second units.

HOUSING WORKSHOP #3

Proposed Program - Second Units - Campaign HOAs to lift or soften second unit restrictions.

Description:	Softening restrictions may include allowing a limited pool of second units within the subdivision, which would allow a "pilot" program to review impacts for HOAs.
Town Cost:	Staff time – meetings with HOA representatives, educational handouts, etc.
Anticipated staff time (%):	15 % - Planner 5% - Town Manager 10% - Community Development Director Potential Town Council time
Anticipated Outcome:	This has the potential to increase the land availability for second units substantially and bring existing unpermitted second units up to current code.
Probability of Implementation:	Low – Many HOAs have strong restrictions against second units and have, in the past, been resistive to change. Additionally, each HOA has a different process or voting requirement to change any existing CC&Rs.
Pros:	This program would create thousands of available parcels for second units.
Cons:	Unknown at this time.

Proposed Program - Second Units - Create stock building plans for second units

Description:	Stock building plans will help property owners that are hesitant or unfamiliar with the process of construction. It will help reduce the design costs for construction of second units.
Town Cost:	Staff time Consultant time <ul style="list-style-type: none"> • Architect (or potential coordination for a design competition) • Engineer
Anticipated staff time (%):	20% - Planner (more, if a design competition is anticipated) for one year 5% - Chief Building Official
Anticipated Outcome:	This could be successful with the "Building permit fees paid by Town with deed restriction for long-term rentals" program described below. This program has the potential to encourage existing homeowners that are unfamiliar with the process.
Probability of Implementation:	High - There are other jurisdictions, such as Santa Cruz, that have implemented similar programs that can be referenced.
Pros:	This program has the potential to bring second units into single-family residential zones. It may make the process less challenging and less expensive.
Cons:	HOA restrictions remain a constraint.

Proposed Program - Second Units - Building permit fees paid by the Town for new secondary residential units with deed restriction for long term rentals

Description:	Stock building plans will help property owners that are hesitant or unfamiliar with the process of construction. It will help reduce the design costs for construction of second units.
Town Cost:	Approximately \$8,900 per permit (does not include impact fees) and staff time to review and administer the program.
Anticipated staff time (%):	Prior to implementation: 10% - Planner for 6 months After implementation: Two hours per permit, plus monitoring
Anticipated Outcome:	This program could incentivize construction of second units. The deed restriction may only be able to be for a limited timeframe since the building permit fees may not
Probability of Implementation:	Medium - This will depend on whether or not the payment of building permit fees by the Town will trigger prevailing wage.
Pros:	This program has the potential to bring second units into single-family residential zones. It may make the process less challenging and less expensive.
Cons:	There would likely need to be a sunset date on deed restrictions to encourage participation in this program. Additionally, this program would only be successful if prevailing wage was not required on the construction of the second units. Prevailing wage could negate the financial incentive provided by the program.

Proposed Program - Short Term Rental Program

Short term rentals were identified as one component of Truckee's current housing models that impacts the affordability market rate units available to locals. Although there was consensus at the housing workshops that short term rentals are appropriate in Truckee there was significant dialogue about the number, location and disadvantage to locals. General consensus was that short term rentals should be regulated/restricted and should be leveraged

to generate additional funds to use towards housing programs. Creating incentives to convert short terms rentals back to full time long term rentals was also discussed.

This is also a multi-faceted program that could include restricting the amount of time that a home can be rented for short-term stays, restrict the number of short term rentals, and/or increase the Transient Occupancy Tax for short term rentals. All of these potential programs would have to be analyzed and a public process would be require

Proposed Program - Short Term Rentals - Restrict the amount of time one can rent a short term rental through Development Code updates.

Description:	Regulate the amount of short term rentals. This program may include regulating where short term rentals can be, a cap on time that a home can be short term rented, and/or prohibit or regulate the short term rental of second units.
Town Cost:	Staff time
Anticipated staff time (%):	40% - Planner for six months
Anticipated Outcome:	This program could discourage short term rental investors and encourage long term rentals.
Probability of Implementation:	Medium - This will require a comprehensive public process in which it is likely strong competing opinions will be voiced.
Pros:	This may encourage more long term rentals or discourage the purchase of investment property solely used for short-term rentals. This will help utilize the existing housing stock rather than require construction of large housing structures which can alter the community character.
Cons:	This program may result in more second homes remaining vacant and may not result in more long term rentals.

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Proposed Program - Short Term Rentals - Increase Transient Occupancy Tax

Description:	This program would require a super majority public vote to increase transient occupancy tax for short term rentals. This program may look at allowing different levels of taxes based on occupancy (primary homeowner with room rentals vs. investment property solely used for short-term rentals).
Town Cost:	Staff time
Anticipated staff time (%):	25% - Planner for a year 25% - Accountant for a year
Anticipated Outcome:	This program may reduce the amount of transient rentals depending on the amount of increase and would increase the amount of dollars available for housing projects. A 5% increase (from 10% to 15%) would generate approximately \$700,000 to \$800,000/year.
Probability of Implementation:	Medium – requires a super majority public vote. A separate group would have to be mobilized to campaign for voter approval of the taxes. This program would be best if applied regionally.
Pros:	This program may reduce the amount of transient rentals depending on the amount of increase and would increase the amount of dollars available for housing projects.
Cons:	This program may disincentivize a component of Truckee's economy that has historically been a staple and, if not applied regionally, can negatively impact Truckee's tourist economy.

Proposed Program - Short Term Rentals - Restrict total number of short term rentals allowed through Development Code Updates

Description:	This program would restrict the total number of short term rentals allowed. This may require a lottery and a cap for particular zoning districts or subdivisions.
Town Cost:	Staff time
Anticipated staff time (%):	30% - Planner
Anticipated Outcome:	This program could ensure that there is a balance to short term rentals in the Truckee community.
Probability of Implementation:	Medium - This will require a comprehensive public process in which it is likely strong competing opinions will be voiced. The criteria for how short term rentals will be restricted (by area, by percentage of area, etc.) will require in-depth discussion from stakeholders from all sides.
Pros:	This program would reduce the amount of transient rentals and possibly make housing units available for long term rentals.
Cons:	This program may disincentivize a component of Truckee's economy that has historically been a staple and will require significant enforcement action.

Proposed Program - Short Term Rentals - Vacation Rental Permit Program

Description:	This program would require a vacation rental permit for short term rentals.
Town Cost:	Staff time
Anticipated staff time (%):	20% - Planner for six months
Anticipated Outcome:	This program could provide a review mechanism to ensure compatibility and notification to neighbors and would be a tool to monitoring short term rentals. This program would likely be a tool that should be implemented with any other new restrictions on short term rentals.
Probability of Implementation:	Medium - A comprehensive public process will be required which will likely have strong competing opinions.
Pros:	This program would provide a mechanism for staff to review projects. Depending on the cost of the permit, this would provide funding for enforcement actions and monitoring.
Cons:	Enforcement may be costly and time intensive, particularly with existing vacation rentals.

Proposed Program - Short Term Rentals - Incentives to Rent to Locals

Description:	This program would create incentives to homeowners to rent their homes to locals rather than enter into the short-term rental market. One idea included a reduction in property taxes for those who rent their homes to long-term renters or one idea was to use financial means to incentivize conversion of short-term rentals to long-term rentals.
Town Cost:	Staff time
Anticipated staff time (%):	30% - Planner
Anticipated Outcome:	This program, in conjunction, with disincentives, could be a way to even out the cost benefits between short-term and long-term renting.
Probability of Implementation:	Medium - This will require a comprehensive public process in which it is likely strong competing opinions will be voiced.
Pros:	Using an approach that utilizes disincentives and incentives would create a stronger program that may be a benefit to both the community and the homeowner. With incentives, there is also the potential to apply deed restrictions to ensure that the intent of the incentives are being met.
Cons:	Homeowners who are currently long-term rented may see these incentives as a reward to those who have short-term rented that they were not provided. A balanced approach that allows for current homeowners who rent to locals to benefit should be considered.

Midterm Actions

While there would likely be work that begins in the near term, such as budgeting or regional dialogue, work on the midterm action items would occur over the next 1 to 3 years.

Proposed: Zoning Map and/or Development Code Amendments for Key Housing Opportunity Sites

Description:	Areas such as West River Street, Donner Pass Road (Envision DPR), and some of the manufacturing/commercial districts could be key sites for housing or increased residential densities. The Development Code and Zoning Map could be explored to find areas with potential for higher residential density targeted for underdeveloped housing types such as workforce housing, locals housing, small dwelling projects, rental housing, etc. This would be best done in association with a developer, but the Town could make these sites more desirable for housing opportunities.
Town Cost:	Staff time
Anticipated staff time (%):	This project would entail considerable Planning staff time and a major public process.
Anticipated Outcome:	This would be best done in association with a developer, but the Town could make these sites more desirable for housing opportunities. Combining this with the 2018 General Plan Update could create greater efficiencies.
Probability of Implementation:	High
Pros:	These revisions to the Development Code can help encourage housing in areas that are ideal for housing - close to amenities and walkable.
Cons:	These revisions may take away from other amenities and uses that may be desired or needed such as more commercial or manufacturing spaces.

HOUSING WORKSHOP #3

Development Code Amendments

Description:	Other Development Code amendments such as reviewing allowances for density in manufacturing zones, re-visiting the FAR incentive area and current incentives for mixed-use development, and creating flexibility in Development Code standards for affordable or workforce units should be explored.
Town Cost:	Staff time
Anticipated staff time (%):	30% - Planner
Anticipated Outcome:	If an incentive-based approach is used, it is likely that there would be significant support from property owners and developers.
Probability of Implementation:	High
Pros:	These amendment can incentivize construction of housing in non-residential projects to create mixed use areas. Flexibility in standards may incentivize construction of housing and alleviate other constraints in development.
Cons:	Development Code Amendments should consider the big picture and consequences.

Regional Housing Corporation Non-Governmental Organization

Description:	This organization would work to implement the Housing Action Plan to facilitate or implement projects through partnerships with community organizations, property owners and developers, and others, as appropriate.
Town Cost:	Staff time for support
Anticipated staff time (%):	20% - Planner
Anticipated Outcome:	A separate/independent organization that can work in multiple jurisdictions to partner with developers and property owners to bring actual housing projects and programs to the region. With initial support, the organization would become self-sustaining and would be able to provide direct services to the regional community.
Probability of Implementation:	Medium
Pros:	This entity would have the power to help create actual housing units that local jurisdictions may not be able to do.
Cons:	Unknown at this time.

Funding Sources	
Description:	Programs listed within this status report and any other future programs will require funding. Funding options such as a modest parcel tax, real estate transfer tax, or increased sales tax should also be explored. Any potential future cannabis tax should also be considered as sources for housing funds. Additionally, existing funds from other programs that are being considered by the Town may be reallocated towards housing through the budget process, if Council chooses.
Town Cost:	Staff time
Anticipated staff time (%):	40% - Planner 60% - Admin staff A separate group would have to be mobilized to campaign for voter approval of the taxes.
Anticipated Outcome:	These taxes would create an ongoing funding stream. Taxes would ideally be applied on a regional basis to ensure that one portion of the region is not negatively impacted over other areas. Additionally, ancillary impacts such additional costs for home ownership should also be considered. A second component of this study would be to determine what to use the money for: down payment assistance, direct building subsidy, paying impact fees, or helping with needed infrastructure, etc.
Probability of Implementation:	Low
Pros:	All of these potential funding sources could provide an additional revenue stream to help construct housing or support housing programs: <ul style="list-style-type: none"> • Parcel Tax: \$50/year on every parcel generates \$650,000/year • Sales Tax: A 0.25% sales tax would generate roughly \$1.2 million/year • Cannabis Tax: Approximately \$150,000/year
Cons:	A parcel tax, while it may create a revenue source, would also create an additional cost to homeownership. All taxes, if not applied on a regional basis, may create unfair competition and drive businesses out of Truckee to neighboring communities that may not have the same taxes.

Long Term Actions

Long term activities will be ramped up during the General Plan update process. Potential programs include the following:

Generate more housing opportunities through the General Plan and Housing Element processes.

Update the Downtown Specific Plan and explore more aggressive higher density downtown housing opportunities.

Work with regional partners likely through the Housing Council to find broader regional solutions. This might involve Placer and Nevada counties, the major ski resorts, major regional employers (e.g. hospital, TDPUD, etc.). The level of staffing effort on this will depend in large part on how the Housing Council is organized, managed and funded.

HOUSING WORKSHOP #3

Prioritization Matrix for Immediate Actions

Immediate Actions	Probability of Implementation	Impact on Creating Housing in the Near Term	Hard Cost	Staff Time	Staff Recommended Priority
Modify Impact Fees	High	Medium	Low	Medium	High
Amnesty program for existing unpermitted second units.	Low	Low	Medium	Medium	Low
Campaign HOAs to lift/soften second unit restrictions	Low	High	Low	High	High
Create stock building plans for second units	High	Medium	Medium	Medium	High
Building permit fees paid by Town for new second units	Medium	Medium	Medium	Low	Medium
Restrict the amount of time one can rent short term rentals	Medium	Medium	Medium	High	High
Increase Transient Occupancy Tax	Medium	Low	Low	High	High
Restrict total number of short term rentals	Medium	Medium	Low	High	Low
Vacation Rental Permit	Medium	Medium	Low	Medium	Medium
Incentives to rent to locals	Medium	Medium	Medium	Medium	Medium

Key Questions/Topics:

- What are we missing? What other programs should we consider as part of a locals housing strategy that are not listed here?
- The Town Council has taken action on the Regional Housing Council and the Gray's Crossing housing opportunity sites. Of the remaining three immediate action items, which one should staff focus on first? Second? Last? – Modify Impact Fees, Second Unit Program, and Short Term Rental Program. Are there sub-programs that should be prioritized over others?
- Is the overall timing appropriate? Are there components within the Second Unit Program and Short Term Rental Program that should be prioritized over other components or should they be looked at as a package?
- Are there specific outreach efforts that staff should pursue now?
- Is there anything that should not be pursued by staff?

Next Steps:

Based on the direction and discussion provided by the Town Council, staff anticipates that a formal work plan will be presented at a future regular Town Council meeting. Additionally, any actions or programs will require a separate public process prior to adoption and implementation.

Attachments:

- Summary from Housing Workshop #1
- Summary from Housing Workshop #2

Attachment #1

Summary from

HOUSING WORKSHOP



January 31, 2017 Housing Workshop #1

Summary of Breakout Sessions

Regulations

Key Takeaways

Top priority:

Modification of Town impact fees (traffic and facilities) to a square footage basis .

Second priority

Reduce infrastructure for projects that provide more affordable housing or housing targeted to locals.

Overall, based on discussions with community members, many of the ideas that were discussed revolved around reducing regulations on secondary residential units. These ideas ranged from figuring out how to build secondary residential units on parcels with septic through use of graywater or composting toilets, increasing the disturbance threshold for single-family residential sites, removing distance requirements for second units, and allowing tiny homes on wheels as second units.

Non-governmental Partnerships and Actions

Key Takeaways

Top priority:

Actively pursue and participate in projects that have the potential to create new "locals" housing.

Second priority

Housing Council

- General tone of ideas/comments/questions was positive. People generally agreed that this is a problem we are capable of solving.

- People were passionate about their personal contributions, and not afraid to share their ideas in a group setting.
- Majority of the votes went toward staff-generated ideas.
- One unique idea is partnering with local employers to design an employer-assisted housing program to help employers take responsibility for helping their employees find housing
- Top ranked idea from this station was for Town to continue pursuing projects that create locals housing.

Innovative Ideas

Key Takeaways

Top priority:

Develop stock building plans.

Second priority

Zoning changes to create a designated zone for a tiny home community or to reduce requirements for tiny homes (e.g. Eliminate requirement for a foundation and allow permanent tiny homes on wheels).

There is significant interest in addressing short term rentals, from both a regulatory perspective and as a potential funding source. There is significant interest in alternative housing types, such as tiny homes.

Incentives

Key Takeaways

Top priority:

Subsidize development of affordable or local housing (impact fees, infrastructure requirements, etc.)

Second priority

Eliminate fees for building second units.

Overall, community members thought second units should be easier to build. Collaboration is a key component in creating incentives that work.

Funding Sources

Key Takeaways

Top priority:

Increase TOT on short term rentals and earmark these funds for housing

Second priority

Cannabis tax to fund housing programs.

Attachment #2

Summary from

HOUSING WORKSHOP



March 1, 2017 Housing Workshop #2

Summary of Table Sessions

Tiny Homes/Second Units

- To increase the number of second units in Truckee we must:
 - Reduce fees associated with building a second unit
 - Find out which HOAs restrict second units, and which do not (this is a to-do task), then develop strategy to remove those restrictions
 - New idea: Offer HOAs different option than just allowing all lots to build second units by-right, and propose limited pool, via lottery, for homeowners to build within a specified timeline
 - Stock building plans are a good idea
 - Partner with manufacturer of pre-fab homes to build per the stock building plans specs
- Tiny Homes – we really got mixed reviews here:
 - Tiny homes should be allowed use as second units
 - Tiny Home villages could be located close to transit/resources
 - BUT, some said tiny homes should NOT be located near transit, save that space for more dense developments/multi-family
 - No general consensus on whether we want to see tiny homes on wheels or foundations, but agreed being on wheels provide cheaper construction

Funding

The small group discussed a variety of potential funding opportunities that could be used in support of the preservation or construction of "locals" housing. They included the following:

- An increased sales tax for housing. A .25% increase in sales tax would generate about \$1.2 million per year. Such a tax would require a supermajority public vote.
 - Many of the participants liked this option because of the revenue generated at relatively low impact on the price of goods. There was concern expressed about the potential impact on local business, particularly as the special sales tax in Truckee grows that much higher than the surrounding area. It appeared to be a relatively strong consensus that this funding option should be explored further.
- Use the proceeds from the potential tax on cannabis sales and/or process if the Town decides to allow these uses. In peer communities, such a tax has generated \$150,000 per year. Such a tax would require a supermajority public vote.
 - This was the most favored option of all of the funding sources. There appeared to be a common belief that it could generate significantly more than \$150,000 in Truckee. There were also comments about how the proliferation of "grow houses" in Truckee is having a negative impact on the availability of housing for locals. Strong consensus that this funding option should be explored further.
- Increase the transient occupancy tax on short term rentals and use the proceeds for housing. An increase of the tax from 10% to 15% would generate \$700,000 to \$800,000 per year.
 - This funding option generated significant discussion. There were several that thought that houses that may rent out a room but maintain a permanent household should not be taxed at the higher rate. Others suggested that if a property included a second unit or "lock off" that was occupied by a local then the higher tax rate should not apply to the short term rental on the property. There was interest in studying this funding source further.
- Construction impact fee for housing. A \$1 per sq. ft. impact fee would generate approximately \$250,000 per year and add \$2,500 to the cost of an average size home.
 - There was concern expressed that this would increase the cost of housing and could be difficult to establish the required nexus. It was also suggested that this fee should only apply to "larger" houses geared to second home buyers. There did not appear to be strong interest in pursuing this funding source further.
- Parcel charge for housing. A \$50 per year parcel charge would generate approximately \$650,000 per year.
 - It was suggested that maybe the rate should be increased but a homeowners exemption or reduction provided for homes that are occupied by residents. There appeared to be significant support for pursuing this funding option further. A derivation of this concept was to charge a higher property tax rate on second homes as is done in Park City and Vancouver.
- Leverage large resorts to provide funding for housing.
 - Although raised in the discussion it was identified that most of the local resorts are not in Truckee.



- Commit to financial partnerships to employers that are providing housing.
- Institute a Real Estate Transfer Tax, particularly on large homes or high value homes selling at \$1 million or more.
- Charge a higher property tax rate on second homes that do not house a permanent occupant.

Residential Development Opportunities

Site 1: Neighborhood In-Fill (Sierra Drive):

- Should be start-up homes
- Look at doing duplex units, maybe also with second units
- If duplex units, do something innovative
- Target single professionals
- Allow for more than 22 units if they are small
- Tiny homes on permanent foundations could allow for more density
- Prime property for higher density, should discourage single-family
- If single-family is proposed, only allow if down payment assistance is provided to ensure they are affordable to locals

Site 2: Incomplete Neighborhood (Spring Creek)

- Create model plans that could be purchased at a low cost, including small single-family and tiny homes
- Incentivize second units on the single-family parcels
- Provide down payment assistance
- Incentivize the construction of the remaining duplex units (more modular units to help with affordability?)

Site 3: Riverfront Opportunity (West River Street)

- Locate commercial along the frontage and cluster residential along the river to create a neighborhood
- Undergrounding of utilities and stormwater treatment is expensive = lots of up front cost burden which makes building difficult and deters development
- The Town now has better receiver-site opportunities such as Joerger Ranch (PC-3) and Pioneer Commerce Center to relocate less desirable river front uses [e.g. repair shops, outdoor vehicle and material storage]
- Needs to be acknowledgment that you might kill businesses in redeveloping the property
- Would be a tough site for publically-financed affordable housing, but good site for high density multi-family/ apartments (multi-story buildings)
- Could be an opportunity site for a developer-developer partnership, one for a commercial component and one for a residential component
- Critical to include dining on this site since there is nothing else around; dining would create a draw
- Some single-family houses along the river could be appropriate to help fund other affordable housing on-site
- The Town needs to be pro-active in finding developers
- Working in California is more expensive than elsewhere = disincentive; this is especially true working under the California Building Code versus the International Building Code
- Increasing density will decrease cost = incentive
- Could be a good site for work/live units if they are flexible enough to allow for a variety of businesses
- Drive creative parking solutions and require less parking overall (e.g. required car sharing, lower parking requirements, incentives for Uber)
- We need to look at higher density; density isn't right in every location, but where it makes sense such as this site, we should be pushing for more
- Good site for multi-family rentals (there are too few in Truckee)
- Could reach out to groups like HGTV that have worked in the Tahoe area to film our housing story and progress
- Placer County has a role in the solution, what about creating a new fee to support housing (e.g. filming permit for activities like the Audi commercial on Highway 267 in Placer County that caused traffic back-up in Truckee)
- If the zoning can be changed, increase the number of residential units that could be built

Site 4: Mixed-Use (Envision DPR):

- If the Town is going to subsidize the development of mixed-use by allowing for concessions, there should be some guarantee that the residential units will be used for residential purposes in perpetuity (and not converted to office)
- Incentivize density but for a full spectrum of housing types
- New single-family homes would not be appropriate in this corridor; multi-family apartments, units on top of buildings would be more appropriate
- Need to look at improving public transit and walkability; this is a key corridor; Envision DPR project sounds like the Town is working on changes which will spur new investment = good
- Don't require too much parking, only just enough
- Key investment in infrastructure would further inspire privately-owned property upgrades
- Create a "DPR Pilot Project," a catalyst project to jump-start change. Tag Envision DPR as "the place for locals"
- Tiny homes are not an efficient use of land in this area, would be more appropriate elsewhere; they are like a grown-up/modernized version of mobile homes which is a needed segment in our community but pose challenges because they are regulated by the State

Short Term Rentals

- Restrict frequency with which each short term rental property (STR) can be rented
 - Would need to restrict to <90 days/year if objective is to even the revenue that can be earned from Short Term Rental and Long Term Rental
 - Could result in selling off of STRs—this could put more housing back into primary resident pool (home purchase or long term rental); This could also hurt housing values in Truckee
 - Unclear how many current STR properties would turn over to long term rental vs. sit vacant when vacation home owner is not using property
- Restrict number of STR units
 - Could result in selling off of STRs—this could put more housing back into primary resident pool (home purchase or long term rental); This could also hurt housing values in Truckee
 - Restrict number of STR vacation homes, but continue to allow STR of primary residences (e.g. occasionally while owner is on vacation, or rental of a spare bedroom). This would allow primary residents to supplement mortgage and other living expenses but would reduce investment in properties for STR.
 - Unclear how many current STR properties would turn over to long term rental vs. sit vacant when vacation home owner is not using property
 - Consider zoning to restrict areas where STRs are allowed. Certain zones could be designated as "locals housing" and not allow STRs (e.g. Mammoth Lakes does this)
- Increase taxes
 - Increase Transient Occupant Tax (TOT) on all residential STRs
 - Increase TOT on out-of-area owners who operate STRs (i.e. non-primary residences)
 - Increase TOT on all residential STRs, with certain exceptions for primary residents who rent out an extra bedroom as STR. Rationale: rental of an extra room is used to support mortgage and essential living expenses
 - Concern that increasing TOT will drive more STR operators "underground" to avoid paying TOT
- Consider different regulations for primary residences vs. non-primary residences (i.e. vacation homes occasionally rented as STRs, or full-time vacation rental properties)
- Create incentive to turn over STR properties into long term rentals
 - Incentive could be through reduction in property tax
 - Concern that CA has laws that are not favorable to landlords, therefore owners may not be interested in long term rental

Impact Fees/Incentives/Development Standards

- Impact fees should be based on square footage
 - Make sure that the impact fees match the impacts
 - Consider the possibility of tiering the impact fees based on size or use (short-term rental /second home vs. primary residence/long-term rental)
 - Concern that smaller homes can still be sold to second homeowners and not to locals – no way to deed restrict if the impact fee reduction is applied across the community
 - Use the impact fee as a disincentive for second homes/short-term rentals
- Actively market second units to make it easier for people to build; set goals for a number of second units in a certain amount of years
 - Land costs make new construction difficult but second units are a good solution
 - Find a way to lift the HOA requirements prohibiting second units
 - Reduce/eliminate fees for second units
 - Expedited permitting
 - Subsidize impact fees for second units for five year long-term rental restriction
 - Create stock building plans for second units
 - Amnesty for existing illegal second units
- Revisit Mixed Use incentives
 - Consider if this is what we want
 - Require mixed use for all projects 10,000 s.f. or more (currently, the requirement is 20,000 s.f.).
- Incentivize housing in Truckee in centralized locations to encourage walking and access to jobs, amenities, and groceries.
- There was concern over any programs that would incentivize conversion of current short-term rentals to long term rentals. In general, the group did not want to “reward” those that currently rent their properties as short-term renters over those that already rent their properties as long term rentals.
- Down payment assistance
 - For all homebuyers, not just first-time
 - For potential landlords who are interested in renting the home for long-term rentals
- Create an employer-pooled assistance program. It can be complicated but it would be a way to help employers find a way to help their employees find housing.

For more information:
Town of Truckee
Community Development Department
Planning Division
10183 Truckee Airport Road
Truckee, California 96161
530-582-7820





TOWN OF TRUCKEE
TOWN COUNCIL

HOUSING WORKSHOP
April 19, 2017, 6:00 p.m.

Town Hall - Administrative Center
10183 Truckee Airport Road, Truckee, CA

1. **CALL TO ORDER** – Mayor Goodwin called the meeting to order at 6:00 p.m.
2. **ROLL CALL:** Council Members; Flora, Tirman, Abrams, Vice Mayor Wallace Dee, and Mayor Goodwin.

Staff Present: Yumie Dahn, Associate Planner; Denyelle Nishimori, Planning Manager; Kirk Skierski, Assistant Planner; Hilary Hobbs, Management Analyst; Nicholas Martin, Administrative Analyst II; Anne Cahill, Administrative Analyst II; Jeff Loux, Community Development Director; Tony Lashbrook, Town Manager; and Judy Price, Town Clerk.

3. **PLEDGE OF ALLEGIANCE** – led by Valerie Brinker.
4. **PUBLIC COMMENT** - none.
5. **WORKSHOP ITEM**

5.1 **Housing Workshop #3 – Housing Workshops Status Report**
Recommended Action: Provide staff with general direction.

Jeff Loux, Community Development Director and Yumie Dahn, Associate Planner, presented from the staff report (presentation on file with the Town Clerk).

In response to Council questions:

- Short term rental application permit program would be similar to a zoning clearance and reviewed for compatibility with adjacent uses.
- Transient Occupancy Tax (TOT) increase would go to the voters in order to implement:
 - General Taxes require a simple majority to approve. A special tax such as a tax specifically for housing takes two-thirds supermajority to approve.
- Designating current TOT funds to any specific use are in Council's preview.
- The Town has discussed entering into an agreement with Air BNB to collect and remit TOT but they are not willing to collect Truckee Tourism Business Improvement (TBID) assessment.
 - There are multiple platforms used to rent short term accommodations.
- Town can assist Homeowners Associations (HOA) with costs related to changes to their regulations.
 - Step one - figure out the different HOA rules related to second units.
 - Step two - campaign the HOA for the change.
 - Maybe a certain number of units per neighborhood could be an alternative discussion.

AGENDA ITEM _____

- Page 19 of the packet – Impact Fees.
 - Concerns that smaller homes could be sold for second homes.
 - The Town cannot place a deed restriction on a unit without an agreement.
 - Utility fees are subject to proposition 218 votes not nexus rules.
 - If the Town pays the fee than it is a contract that we could require a deed restriction for.
 - More recent subdivisions in Truckee restrict the HOA from prohibiting second units. If the property has a septic system than it is restricted to a single residence.
 - Look at Santa Cruz and determine if there regulations on second units worked.
- Employer assisted housing:
 - Staff is talking to employers, non-profits, and other agencies.
 - The workforce housing requirement is on the books and required.
 - The Town of Truckee has not committed to being the bedroom housing for ski-resort employees
- Issues for the new Housing Counsel that can build housing.
 - Employers' interests in helping employees find affordable housing.
 - These regulations will work better regionally rather than just in Truckee.

Mayor Goodwin opened the item to public comment.

Nick Pullen, vacation rental company owner and on the TBID committee member stated:

- Great ideas in this packet, in his opinion, limiting short-term housing will not increase homes for locals. These are second homes that owners also want to use. If they sell it the next person is likely going to be a second home owner
- How do you get more people to be a long term rental investor?
- The local market is not good for purely short-term or strictly long-term rental investors.

Jan Holan, Truckee resident since 1989:

- Stated addressing the impact fees will require leadership to bring all the agencies to the table.
- Stated that fees for construction in Truckee are higher than elsewhere for housing units.
- Suggested having lower rates for all the jurisdictions for smaller units
- Recommended if you deed restrict a unit, allow the owner to pay down the loan and sell it at market restricted housing.

Jan Zabriskie.

- Questioned the lack of reference to mobile homes in this document.
 - Are mobile homes more or less expensive?

Response: In the current standards mobile homes and tiny homes are allowed on permeant foundations, snow load is a challenge, and some Covenants, Conditions, and Restrictions (CC&R) prohibit them.

Joan Jones, Truckee resident:

- Encouraged a look at the Development Code to see where it has discouraged land divisions and smaller homes. To bring an argument before Planning Commission on the issue, the cost is very high (\$7,000).
- Consider reducing the variance costs for local housing

Kristy Thompson, MWA, and Contractors Association of Truckee Tahoe (CATT) Affordable Housing Committee Chair, speaking regarding second units:

- It is a win-win solution
 - Supports amnesty, stock building plans, and payment of fees.
- Recommended Town proceed cautiously with deed restrictions, CATT does not support deed restrictions that extend for decades.
 - Consider allowing the payment of the value of the restriction when sold to be recycled back into the incentive program.
- Analysis by a realtor member suggests that further study of an appropriate timeframe on loans and subsidies be considered

Tony Commendatore, Aegis Insurance Market, CATT Affordable Housing Committee Vice Chair:

- Encouraged incentive based programs versus increasing regulations.
- CATT does not support any single source tax or fee; currently CATT does not support real estate transfer fees, sales tax, cannabis tax or any new tax aimed at one group.
- Recommended a property tax.
 - A small property tax of \$50 per property provides broadly based affordable parcel tax. It is not subject to the economic downturns or the weather and could be used to leverage other funds.

Response to questions: Speaking on behalf of CATT A parcel tax – everyone pays A transfer tax would affect only the transfer market. The funding needs to come from multiple places. The \$50 property tax is not enough, but it could leverage other future funding.

Jeff Brunnings, Truckee resident:

- Stated, increasing TOT and reducing the availability of supplemental income to locals will prevent him from being price competitive TOT will have to be absorbed rather than passing it on.

Response to questions: His personal situation would prevent him from passing on the tax as he only rents at certain selective times and must remain competitive on his price.

Pat Davison, Executive Director of the CATT:

- Qualified her comments, stating they may change positions with new information.
- Stated traffic and facilities impact fees - CATT strongly supports fees by square footage.
- CATT supports the discussion with the HOA.
- Opposed taxes on short term rental. No single group should pay for housing.
- Questioned what would the consequences of reallocating current TOT look like.
- Consider second units on septic.
- Staff priorities should be: Impact fees, second units, stock building plans and incentives short term rentals to go long term

AGENDA ITEM _____

- Create an incentive based program with no new regulations.
- Make sure the cost of these new programs does not exceed the benefits.

Response: Re-allocation of the currently collected TOT tax is a budget discussion. Currently TOT is used as a source on income to repair and plow roads and provide other Town services. The notion is to have a steady stream source of income.

Dave Gove, NSM Construction:

- Urged Council to engage the homeowners associations.
 - These larger associations need to increase our efforts to communicate.
 - Use resources to address having second unit prohibitions, prohibited at the State level

Valarie Brinker, Dickson Realty:

- Eliminating short-term rentals is detrimental to our tourist economy, and will affect affordable accommodations tourism, TOT and sales tax generated by the visitors.
- Short-term rental restrictions will not provide additional long term rentals.
- Vacation rental owners want to use their homes for personal use.
 - Evaluate the pros and cons incentives.

Teresa Crimmons, Family Resource Center of Truckee:

- Suggested Council consider while they prioritize housing to keep eyes on the local work force and prioritizing families with students in our school systems.

Wendy Sullivan, workforce housing consultant:

- Spoke regarding one incentive program for "STR" in Summit County Colorado, Housing Authority with a local foundation; they have 20 short-term rental units that signed up to be long-term rentals for locals at a cost of about \$2,000 per unit. She can provide additional information if desired.
- Per unit versus per square foot fees – good to change the dynamics of constructing smaller units.
- Employer assisted housing program is fantastic; any opportunity to help employers with the housing issues is great.
- Districts can help since they are employers too.
 - Provided examples of other communities that have employer assistance programs.

Matt Hanson, Owner - Tahoe Truckee Homes (small real-estate office in Town that handles both short and long term rentals):

- We are losing five of our long-term rentals, three to sale and two to owners that want to utilize their property along with vacation rental opportunities.
- The numbers for investors to purchase property for rental do not make sense.
- Provided anecdotal information regarding property owners' inability to purchase residences for long-term rentals.
- Recommending opportunities for multifamily projects.
 - Provided anecdotal information regarding the Wergland House.

AGENDA ITEM_____

Nikki Riley, Director for Mountain Area Preservation (MAP):

- Stated people that are the fabric of the community. Not everyone can afford to be here to speak. Consider everyone that is part of the community.
- Consider those living in sub-standard housing here in Truckee.
- Assist those effected on Donner Pass Road, (Sunset Inn, and Mobile Home Parks) as they rehab and redevelop. The current residents need to be relocated.
- Urged Council to be creative and considerate of those not in the room tonight.

Lynn Saunders, Truckee Chamber of Commerce:

- The chamber board and staff are actively involved in this issue.
- It is too soon to take hard lines positions on any proposal these yet.
- The Chamber represents many different stakeholders in the businesses and tourism industries, including the Truckee Tourism Based Improvement District (TBID) members that represent short-term property rentals.
- The Chamber looks forward to continued involvement in the process.

Pier Newman, Truckee twelve-year resident, not representing any employer or organization:

- Stated work as a Human Resource Manager for a large employer and sees people leaving Town because of housing.
- Affordability, Availability, and Adequacy
 - Affordability not only for low but also for the medium income residents that are not qualified for the affordable housing, but cannot afford to purchase a home. This represents mid-managers, school teachers and police in the area.
- Questioned how the incentives will improve the affordability of units?
- Questioned if there are incentives for employers to help find or build housing for their employees.
- Can we put in toll booths to allow visitors to help pay for the maintenance of our local roads.

Daniel Fraiman, local business owner, employer, and provider of affordable housing for roughly 100 residents:

- Stated he has looked at building more apartments and has found it financially unfeasible.
- Urged the Town to work with the special districts as well to address the impact fee structure for multifamily units.

Jim Winterberger, Tahoe Getaways, Chair of the Truckee Tourism Business Improvement District (TBID), but not speaking on behalf of the TBID:

- Stated the overall impact of short-term rentals, restaurants, retail and vendors, is huge and anything you take away from this will trump what we would put back into affordable housing. Targeting short-term rentals is not the answer.
- Who needs it the most, is it the teachers, the public service workers, others?
 - We need to identify where the need is the greatest, and work to address the specific need.

Gordon Cross, local, and design drafter

- Requiring that tiny and mobile homes be on a foundation makes it unaffordable.
- Requested creating regulations that make tiny and mobile homes doable.
 - Change rules to allow them as second unit without foundations.

Mayor Goodwin closed public comment.

Council Direction:

Big Picture thoughts:

- Incentives are the right direction.
- Fifty percent of our homes are second homes. Wendy Sullivan mentioned Summit County Colorado, using incentives to move short-term to long-term rentals.
- There is an opportunity to try to find land to produce multifamily housing.

What are we missing?

- Land cost being a primary driver – land owned by the Special Districts is a potential opportunity and should be part of the discussion.
- Excitement around stock building plans for second units; We should consider providing stock plans for duplex and triplex units.
- Regarding mobile homes: The requirements come from the California Building Code, and are subject to local snow load, seismic requirements. If they are not on foundations then they are registered vehicles and not subject to property tax, but still create service demand. There are issues related to hooking up to utilities. The impact fees come in for utilities and there are neighborhood compatibility issues. Mobile homes not on foundations can be located in mobile home parks; foundations are required to place them outside of parks. This is more of a temporary solution rather than a sustainable solution.

Prioritizing

- **Impact fees**
 - Per square foot.
 - Special district fees (second homes as well as size of home):
 - Through the Regional Housing Council.
 - Payment for deed restrictions prior to property sale.
 - Regarding fees, the Town compares from the middle to high end.
- **Second Units**
 - Focus on Homeowner Associations (HOA) with a percentage approach.
 - Provide assistance to the HOA to assist in the Covenants, Conditions and Restrictions (CC&R) changes that allow second units.
 - Revisit guidance at the Development Code level.
 - Septic tank prohibition on second unit requirement.
 - Three acres or larger could be feasible.

AGENDA ITEM _____

- Septic systems are calculated based on number of fixtures; it should not matter if the fixtures are in one structure.
 - There may regional board or county regulatory barrier to test.
 - Classifying duplexes as multi-family, and get creative with the duplex incentive discussion.
 - Where they are forbidden:
 - Some work needs to be done to establish the value impact of a second unit on the property and neighbors.
- Stock Building Plans.
- Incentives short-term rentals going to long-term.
- Disincentives short-term rentals with fees.
- Funding source:
 - Having all homes pay a parcel tax versus second homes paying an additional tax.
 - No funding source should be off the table for discussion.
 - No one funding source will solve this issue.
 - Economic analysis of the potential funding source options.
- Short term rentals last:
 - Proceed with caution on regulating – be sure we are asking the right questions – will it achieve our goals?
 - Cognizant of the loose of Transient Occupancy Tax and sales tax revenue based on regulating or taxing short-term rentals.
 - Where would these visitors stay?
 - Whatever we do should be done regionally.
 - Taxes are subject to votes of the public.
 - You can reduce the tax without a public vote.
 - Remain aware of those that rent their primary residence, a room or their home for a few nights.
- Housing Council tasks:
 - Regional Housing Corporation.
 - Funding – regional equity.

Unless we can identify a sustainable funding source these programs may be one and done.

6. ADJOURNMENT

To the regular meeting of the Town Council, April 25, 2017, 6:00 p.m. at 10183 Truckee Airport Rd, Truckee, CA 96161.

Approved:

Respectfully submitted by:

Morgan Goodwin, Mayor

Judy Price, MMC, Town Clerk



Meeting Summary

Mountain Housing Council Meeting (#1)
6.9.2017 | 7:30-11am
Truckee Tahoe Airport District Board Room
Meeting Attendees: See page 9 for complete list

Topics in this Summary

- Mountain Housing Council Organizing Tools
 - Council Framework
 - New Tools (Collaborative Agreement, Placemat, FAQ)
- Work Group Updates
 - Deal Makers Summary
 - Tool: Dashboard to track progress + Deal to Watch
- Regional Action Plan Visioning Session + Setting Targets, Work Plan (Tiger Teams)
- Partner Updates
- Funder Debrief

Meeting in Brief

On June 9th, 2017, nearly 30 members of the Mountain Housing Council (Council) met for the first time to kick off the 3-year collaborative initiative that is working to accelerate solutions to regional housing issues. The Council, comprised of a range of regional agency, non-profit and business stakeholders is set to meet four times per year to coordinate, communicate and strategize solutions on various housing opportunities and challenges happening in the Tahoe Truckee region.

The focus of the first meeting was to review key foundational tools for the collaborative and set a plan for future work. Following is a summary of the key highlights and decisions made for the various topics discussed.



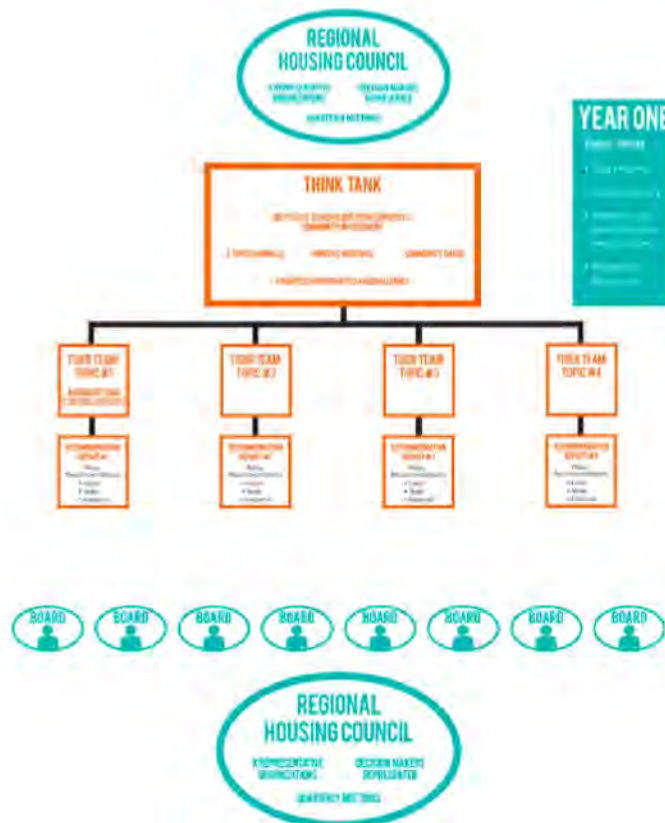
Mountain Housing Organizing Tools

Critical to a successful collaborative effort is having an agreed upon framework and set of tools to drive the work. As such, the group reviewed the following collaborative tools:

- Mountain Housing Council Organizational Framework
- Collaborative Agreement
- Placemat-Dashboard
- Frequently Asked Questions
- Website: www.mountainhousingcouncil.org

The Mountain Housing Organizational Framework was presented as follows:





Collaborative Agreement Tool

The Collaborative Agreement document is a tool that outlines the goals of the Mountain Housing Council, roles of TCF (Project Manager and Fiscal Oversight) and each stakeholder groups as well as a set of procedures for working together. The Council reviewed the document prior to the June 9th meeting and provided comment during the meeting.

Feedback: Per the discussion, the main comments about the document included: 1) Adding additional language to the consensus model to more clearly define the process including adding details to the meeting summaries re: how each entity “voted” on a topic, 2) Adding clarity in the introduction section about the importance and role of the general public in the process as well as



how Funding Partners/ Council members participate in different work groups (i.e. Think Tanks, Tiger Teams, Deal Makers Network, etc.) 3) Clarity about financial oversight of the MHC budget which staff explained was managed by the TTCF Board.

Next Steps:

Staff to update document per feedback and send to members to sign by 6.30.17

Placemat Tool

To easily track and showcase the collective housing work of the region, the MHC team presented a tool called the MHC Placemat. The Placemat is an 11x17 sheet that spotlights, in one location, highlighting the collaborative and communications efforts happening related to local housing. With a region comprised of two counties and a town and seventeen special districts, this type of tool is critical to coordinating efforts. The Placemat will be updated for each quarterly Council meeting and can be used by members to share information about the Council's work with their own constituencies.

Frequently Asked Questions Tool

In order to create a responsive and transparent process, the MHC created a FAQ document that will be regularly updated as new questions arise. The document will be kept on the MHC website—www.mountainhousingcouncil.org

Feedback/Agreement: Members would like to add a response to the question about public attendance at quarterly Council meetings. The consensus from the group was to allow the public to attend Council meetings with a public comment item at the end of each meeting. This will build transparency and inclusion into the MHC work.

Next Steps: Add language to FAQ, website, Collaborative Agreement to reflect role of public at Council meetings.



Work Group Updates

The Council meetings will serve as a forum for communicating and providing feedback on the work happening in the various work groups. There will be several work group formats functioning under the Council from short-term Ad-Hoc teams to Tiger Teams to Deal Maker Network sessions to Think Tanks (public forums). In each of these work groups, a specific goal or challenge will be addressed and a unique set of stakeholders will be invited to participate to develop innovative solutions to the challenge. Some work groups will last a few weeks and some will be at least a year. One work group that met prior to the first Council meeting was a network of housing developers and builders currently being called, "Deal Makers." The update to the Council included: 1) Purpose and role of developer network, 2) Feedback from the first meeting regarding barriers to building local housing.

Some of the barriers initially identified by the first Deal Maker session included: 1) High cost of fee's, 2) Definition of local housing, 3) Regulatory process challenges (time, complexity, incentives)

Feedback: The reaction to the Deal Maker Network was mixed and animated. Comments ranged from questions around whom the group was and how they fit into the Council as well as ways to improve the perception of the regulatory process. The name for the work group, "Deal Makers," was challenged in that there are agencies that are also deal makers so how do we differentiate this work.

Next steps: Tiger Teams will review comments from the Deal Maker network as part of the work of understanding regulatory barriers.

Setting Housing Targets for MHC Work

One of the goals of the first Council meeting was to discuss and define the goals and housing targets for the 3-year Mountain Housing Council initiative. The question being, "How do we measure success?" A preliminary draft of a Dashboard tool was shared with the group (similar in format to the Placement mentioned earlier) to show how housing targets and "Deals in the Watch,"



could be tracked. Housing targets were pulled from the 2016 Housing Study that showed a regional need for approximately 12,000 units to meet current demand. Additionally, a table showing how the current pipeline of local housing projects in the works could be shown on the Dashboard to help the Council track and support projects already underway.

Feedback: There was a lot of conversation about what targets for housing would be best for MHC efforts. In short, after much discussion, it was clear that finding a housing target was not a simple task that would happen in one meeting. Specifically, feedback re: targets included:

- Include both new and existing stock in the targets
- Potentially set targets based on current pipeline of projects or, potentially, 20% above
- Set targets based on geographic equity
- Focus targets on policies that will set us up to meet housing targets in future years
- Focus on a portfolio approach: meeting the needs of a variety of income levels (very low up to above moderate)
- Focus on a portfolio of housing types: define not just by # of rooms
- Financial feasibility: needs to be part of equation for targets
- Consider Peer Review: of BAE study needed to verify #'s for target baseline
- Adopt and track "game changers" as a metric

Next Steps: An Ad-Hoc committee was formed to take the feedback from the discussion and develop a set of housing targets to share with the Council members via email this summer with the goal of finalizing the targets by the September Council meeting.



Tiger Teams Work Group Update

Key to moving the work forward for the Council is developing work teams that research and design strategies to identified barrier areas. Following are the Tiger Teams identified and formed by the Council for year 1.

Tiger Team	Goals	Timeframe	Members
Barriers to Local Housing (Cost, Fee's, Process, etc.)	<ul style="list-style-type: none"> Understand barriers (fee's etc.) ID barriers and solutions Highlight and learn from successful stories 	4-6 months	Town, Placer, Nevada, CATT
Regional Public Agency Land Inventory	<ul style="list-style-type: none"> Understand regional housing opportunities on land owned by agencies Create a regional map (internal) Create Criteria to top priority locations 	1 month for map, 3 months for inventory	Nevada County (Richard Anderson) Placer County (Jennifer Mo.+ J. Merchant) TCPUD (Steven) Town (Jeff Loux). Northstar (Jerusha Hall)
Creative New Housing Types	<ul style="list-style-type: none"> Understand different models (tiny houses, adaptive reuse, cohousing, etc.) Understand current policies ID next steps. 	6 months	Placer, Nevada, Town, CATT
Leveraging Financing	<ul style="list-style-type: none"> Understand public funding Develop models for funding 	1 year	TTCF (participant)



Partner Updates

Mountain Area Preservation, Alexis Ollar

Announced the deadline of June 28th, 2017 for state matching funding proposal for the Railyard Artist Loft project. These are low-income units and the Town is competing with other entities throughout the state for funding. The higher our local match (\$'s) the better our proposal fairs. This is a shovel ready project; just needs public funding match to move forward.

New Proposal + Discussion

Council discussed a proposed letter of support from MHC. Stacy Caldwell (TTCF) indicated that this type of advocacy would be challenging at this time as different agencies have different procedures to obtain signatures. She shared that as a collective, the opportunity is in the information sharing and that each partner needs to respond and react based on their organization's protocol.

Funder Debrief

Funding Partners met to debrief the process and the meeting format. Following are highlight of the comments shared:

- Liked the tools---the Placemat format
- Length of meeting: needs to be longer, 3 hours in the future (with breaks)
- Focus of Council meetings should be communications around the work happening between meetings
- Send more "homework" between meetings so that Council can move on action items and not wait for quarterly meetings
- Comment made to bring in expertise to help with challenging topics--- finding the right fit will be critical as we are a unique community with unique challenges
- Education is a critical part of our work—understanding options and realities. Suggestion to make this part of each Council agenda—bringing in experts on various topics (developers, financiers, etc.)
- We need to start thinking about the next entity beyond MHC. What does this look like? What is the org structure? MHC is only 3 years, where does the capacity of the work land after this timeframe?



- Close: excited that leadership is coming together to not only recognize this pressing housing issue but tackle it

Meeting Attendees

Nevada County, Richard Anderson
Town of Truckee, Tony Lashbrook, Jeff Loux, Morgan Goodwin
Contractors Association, Pat Davison
Truckee Chamber, Lynn Saunders
DMB Highlands/Martis Fund, Mark Johnson
Northstar, Jerusha Hall
Community Collaborative of Tahoe-Truckee, Alison Schwedner
Family Resource Center/Board of Relators, Carmen Carr
Truckee Family Resource Center, Teresa Drimmens
North Tahoe PUD, Sarah Coolidge, Sue Daniels
Squaw Valley PSD, Fred Ilfeld
North Tahoe Family Resource Center, Anibal Cordoba Sosa
Truckee Sanitation District, Nelson Van Gundy, Blake Tresan
Tahoe Regional Planning Agency, John Hester
TSBOR, John Falk
Placer County, Jennifer Montgomery, Jennifer Merchant
Tahoe City PUD, Sean Barclay, Cindy Gustafson
Truckee Donner PUD, Steven Poncelet
Tahoe Forest Hospital District, Ted Owens
Tahoe Truckee Unified School District, Robert Leri



Meeting Summary

Mountain Housing Council Meeting #2

9.15.17 | Truckee Tahoe Airport District Board Room

Meeting Attendees: See Page 9 for complete list

Topics in this Summary

MHC Target Ad-Hoc Team Update

Tiger Team Updates

Partner Updates

Meeting in Brief

On September 15th, 2017, nearly 50 members of the Mountain Housing Council (Council) and members of the public met for the second time to continue discussion on the collaborative initiative that is working to accelerate solutions to regional housing issues. The Council, comprised of a range of regional agency, nonprofit and business stakeholders is set to meet four times per year to coordinate, communicate and strategize solutions on various housing opportunities and challenges happening in the Tahoe-Truckee region.

The focus of the meeting was to provide housing updates and provide a forum for coordinating and strategizing the various efforts happening both in and outside of the Council. The following is a summary of the key highlights and decisions made for the various topics discussed.

A reminder: the role of the Mountain Housing Council is to put the spotlight on what is happening in relationship to local housing in our region. We are here to create and package simple tools to inspire others to get engaged.



MHC Target Ad-Hoc Team Update

In June 2017, an ad-hoc team was formed to identify targets for the Mountain Housing Council that would serve to measure the success of the collective work over the next three years.

The team gathered relevant affordable data from the region, researched best practices from similar communities outside the region, considered future projects in the pipeline, and incorporated Council feedback as the foundation for developing the MHC Goals + Targets. Additionally, the Ad Hoc worked to define a clear mission and vision for MHC, created definitions around commonly used terms including expanding the definition of "affordable" in the region to include the high-income levels or "missing middle."

Regional Housing Definitions

The Target Ad-Hoc Team determined it would benefit the Council to share a common vocabulary. In order to have a clear understanding of terms frequently used when discussing local housing topics, definitions were carefully created for the following terms: unit, quality housing, unlock, diversity, and an expanded definition of local-affordable. See attached PP for summary of definitions.

Feedback

The following is a summary of feedback on the Ad-Hoc presentation of goals, targets, and new definitions:

- *Unlock: clarify to read unlocking of units not currently used for workforce housing*
- *Diversity: include diverse workforce in definition*
- *Expanded Definition of Local-Affordable is based on the reality of our region's current housing costs. This new definition was well received by Council members.*

Agreement

The Council agreed to change *affordable housing* to *achievable local housing* to eliminate confusion and preconceptions around the term affordable and to include an expanded range of income levels. The agreement was that though the lower income targets (as defined by HUD) are still critical, due to the high



cost of housing in the region, including higher level income brackets is also a critical housing need in the community. Moving forward, MHC will use the word *Achievable Local Housing*

Implications

The facilitator asked the Council what the implications would be for using a new, expanded definition for "affordable" housing in the region. Following are some of the comments captured:

- I think this new expanded definition of income targets better reflects the wide range of needs in the region
- An expanded definition of "affordability" in our region that includes the "missing middle" allows for jurisdictions to design incentives for developers or programs that target this bracket

Proposed Goals + Targets

Shaped by thorough research and regional housing data, the Target Ad-Hoc team proposed six goals and targets.

Feedback

After discussion, the Council requested updates per feedback be applied to the proposed goals and targets, then re-circulated for final approval.

Below are examples of comments considered for goal and target revisions:

- Goal 1: Create a regional policy + program agenda that implements innovative, game-changing solutions.
 - Discussion: How does the Council expedite current policies?
- Goal 2: Increase % of workers living and working in the area. Decrease commuting)
 - Discussion: This goal and metric are confusing. Who are we talking about? Maybe it is more of an indicator of our work rather than a goal? Are there numerical targets for this?
- Goal 3: Unlock existing structures for local housing.
 - Discussion: Change to unlock housing structures (housing specific, as opposed to Goal 6.



- Goal 4: Increase new units available for local housing.
 - Discussion: Remove rehab – should only be new housing structures.
- Goal 5: Garner additional funds for local housing
 - Discussion: Target should be greater than \$5 million and as high as \$15 million
- Goal 6: Rehabilitate alternative structures and substandard units.
 - Discussion: clarify to be previously non-housing structures as housing structures are captured in Goal 3.
- Suggested Goal 7: Track or reduce loss of existing housing stock (loss to short-term rentals, other uses).
 - Discussion: should not be punitive, should not restrict property owner rights, could just be tracking.

Action/Next Steps

- Expanded Definition of "affordable."
 - Work group to define "new" achievable/attainable criteria for our region within the next month and send to Council, via email, for approval
 - MHC staff to draft a document that staff can send to Boards as a means to explore ideas around building policy and/or programs around new definition of "affordability"
 - Request assistance from legal counsel (on a jurisdiction's team) to make universal document incorporating new criteria
- Goals + Targets
 - Updated MHC goals + targets per feedback from Council will be sent for approval to Council via email in early October



Tiger Team Updates

In between Council quarterly meetings, Tiger Teams are meeting to move the work forward for the Council. By focusing on a specific task, each Tiger Team is able to efficiently contribute their time, resources, and expertise to tackle different topics. Following is the update shared at the meeting:

Tiger Team 1- Local Agency Map Update

Tiger Team 1 was tasked with creating a regional map of parcels owned by local agencies (Map #1). The purpose of the mapping Tiger Team is to: 1) Create a map that identifies publicly owned parcels (Map 1), 2) Create a map that identifies parcels, within Map #1, that could be suitable for achievable local housing, 3) The intent is not to identify land that can necessarily turn into housing but rather to create an inventory of what exists in order to inform future conversations.

Council Feedback

Input from the Council on Map #1 was collected at the meeting via small feedback stations:

- Town of Truckee has a large amount of land, it would be interesting to see what is actually available for housing
- Explore the idea of transferring uses to different sites to free up more suitable potential housing locations
- What is the relationship with California Tahoe Conservancy, they seem to have a lot of land, but how does this relate to their sustainable community program?
- Are there opportunities with El Dorado County?
- There are a lot fewer parcels owned by local agencies than expected
- Do we want to build outside of town centers? How do travel, transport, and safety influence ideal locations? Should transit expand to serve new areas?

Tiger Team 2 - Policy Work: Creative Housing Types Update

Tiger Team 2 is tasked with: 1) identifying current policies in place, and in the works, that could serve to accelerate solutions to housing, 2) designing a work plan to accelerate adoption of new policies as well as current policies, 3) Identify new policies missing from the regional tool box (i.e. creative housing types). The team has met one time to-date. Over the next few months the team will create a regional matrix of policies in place and identify top innovative policies and programs to accelerate diversity of local achievable housing.



Tiger Team 3 - Funding + Finance

Tiger Team 3 is exploring opportunities to increase funding and to decrease costs for housing. Currently the team is making strides by attending TTCF meetings to expand network and tools. They are redefining local-affordable housing and submitted data for a fee analysis. Over the following months the Funding + Finance team will be identifying financing tools for employers, first-time homebuyers, and others.

Tiger Team 4 - Housing Programs

The Housing Programs Work Team will start in September. The team will be uncovering the strengths, weaknesses, opportunities, and threats of current programs. To-date, a regional matrix of existing programs has been created. Meeting number one will include program administrators from Town of Truckee, Nevada and Placer Counties, as well as staff from CCTT and the Family Resource Centers who have first-hand knowledge about which programs work, which don't, and potential new areas to investigate.

Deal Maker Update

Council staff is hosting quarterly meetings with local dealmaker's (developers, land owners, and employers who want to be part of the solution) to discuss concepts, projects, obstacles, and challenges. These discussions allow dealmakers to link to Council work, receive feedback, and share resources. In addition, the meetings give the Council the ability to monitor conceptual and approved unbuilt projects.

Update: Think Tank Event in October: Employers Stepping Up

At the start of the meeting MHC Staff presented videos showcasing two local business owners who have stepped up to assist in providing housing solutions for their staff; Dave Wilderotter of Tahoe Dave's and Andy Laughlin of Tahoe City Kayak. Their solutions included outreach to friends with space (guarantee rent will be paid), purchasing property for staff, help with deposits for rentals, assist with loans, and make down-payment contributions for first-time homebuyers.

In October, the Council will host a community Think Tank that will explore how employers can get involved in the housing solution. The panel will include several individuals who will share creative tools and approaches to assist employers seeking to help provide homes for their staff. A flyer will be sent to the Council in the next week.



Partner Updates

Placer County

- Posted its Tahoe Housing Plan on its website.
- Starting to work on program to reach out to landlords about rental opportunity
- The County urges the Council to collaboratively discuss the topic of homeowner's insurance and cancellations in wildland fire areas.
- Working to create a more efficient and effective policy regarding in-lieu fees in the future.
- Accessory Dwelling Units (ADUs) will be discussed at the October 3 Board meeting.

Nevada County

The County recently adopted new regulations to make it easier to build ADUs within the county. Public comment was submitted requesting removing the requirement of owner occupancy.

Town of Truckee

- Shared updates on several local housing projects: Truckee Artist Lofts, Coburn Crossing, and Coldstream. The Truckee Artist Lofts project did not receive the 9% tax credit; they are now going for 4%, which means higher local subsidies will be needed. Coburn Crossing is about to submit a final map of 138 deed-restricted (blue column) rentals. Coldstream, a 48-unit parcel (parcel 1), has submitted an application for development permit.
- Expressed that while they have been receiving a lot of development interest in workforce housing projects, that infrastructure financing is difficult and can be a challenge even for projects that are fully approved.

Family Resource Center

The Resource Center is concerned with the recent displacement of tenants who reside in Sunset Inn I, which is being renovated. They could use help from individuals or agencies who can provide resources and influence to inform owners of Sunset Inn I in regards to state requirements to relocate residents. As a result, a sign-up sheet was passed around the Mountain Housing Council and several members volunteered to provide assistance.



Contractors Association of Truckee Tahoe (CATT)

CATT submitted a formal letter to the Placer County Planning Commission asking that they remove the owner occupancy requirement to free up both units for rental purposes as it pertains to ADUs. The Planning Commission denied it but CATT will present again at the next Board of Supervisors meeting on October 3.

The Soaring Ranch project will include 80 multi-family apartment units designed for locals and market rate with an inclusionary housing percentage (either 10 or 15%). Copies of the site map are available with the Town of Truckee (parcel 3).

Tahoe Regional Planning Agency (TRPA)

TRPA is hosting two events. On September 26, a group will be looking at development rights and discussing ways to improve the system. On the following evening, September 27, the TRPA Board is anticipating a local government committee to report on short-term rentals, how they are handling them, and what best practices are around the area.

Tahoe Prosperity Center

- Is hosting Tahoe Economics Summit Monday, October 30 in Incline Village. The event will include a segment specifically around housing. Speakers from AirBnB, Santa Barbara, and Crested Butte, Colorado will be there to share stories from outside the region.
- A local government led task force is exploring opportunities to convert an old motel into permanent workforce housing for residents in the City of South Lake Tahoe. Currently there are four motels being converted for this in the regular market place. The task force is hoping to develop incentives to increase this type of renovation.

Truckee Donner Public Utility District (TDPUD)

TDPUD is continuing to seek a solution/play matchmaker to Gray's Crossing Mello-Roos District. Fines and penalties can be waived, but actual tax cannot.

Feedback: TCF has offered to facilitate conversations between interested parties and TDPUD in hopes to engage a collaborative brainstorm on solutions.

Next Steps:

- Council staff looking for ways to share updates to affordable housing projects in the pipeline



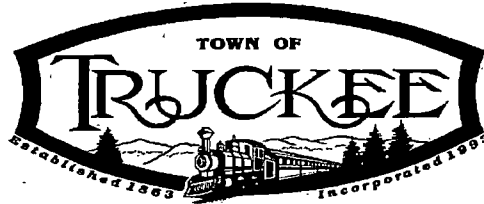
Meeting Attendees

Members + Partners

Nevada County, Supervisor Richard Anderson
Placer County, Supervisor Jennifer Montgomery, Jennifer Merchant
Town of Truckee, Jeff Loux, David Tirman, Yumie Dahn
Tahoe Truckee Unified School District, Joan Zappettini
Community Collaborative of Tahoe-Truckee, Alison Schwedner
Family Resource Center/Board of Realtors, Carmen Carr
North Tahoe Family Resource Center, Amy Kelley
Truckee Family Resource Center, Teresa Crimmens
Sierra Business Council, Jessica Carr
Tahoe Prosperity Center, Heidi Hill Drum
MAP, Alexis Ollar
Truckee Chamber, John Manocchio
North Lake Tahoe Resort Association, Brett Williams
DMB Highlands/Martis Fund, Mark Johnson
Northstar, Jerusha Hall
Tahoe Donner Association, Robb Einyre
Contractors Association, Pat Davison
Tahoe Forest Hospital District, Ted Owens
Truckee Tahoe Airport District, Rick Stephens
Tahoe Regional Planning Agency, John Hester
Tahoe Sierra Board of Realtors, John Falk, Matt Hanson
Tahoe City PUD, Cindy Gustafson, Kim Boyd
North Tahoe PUD, Sarah Coolidge
Squaw Valley PSD, Fred Ilfeld
Truckee Donner PUD, Steven Poncelet

Convener

Tahoe Truckee Community Foundation:
Stacy Caldwell, CEO
Nicole Todd Bailey, Board Liaison
Ashley Cooper, Communication and Grants Manager



MEETING DATE: February 13, 2018

TO: Honorable Mayor & Councilmembers

FROM: Denyelle Nishimori, Community Development Director *DN*

SUBJECT: Initiate General Plan Update (CIP C1903)

APPROVED BY

Jeff Loux
Jeff Loux, Town Manager

ABSTRACT: The Town is about to embark on a comprehensive update to its General Plan. In the last decade there has been new State legislation including General Plan requirements, new growth and development pressures in the region and focused community interest in affordable locals housing and sustainability that are not adequately addressed in the Town's current 2025 General Plan. The General Plan Update process provides an important opportunity for the community to provide direction on how Truckee might best fulfill its community vision and how development should occur in the future. An important part of the update process is to gain input from a broad cross-section of the community through a collaborative approach. This is a two- to three-year community commitment, initiated by the Town Council.

RECOMMENDATION: That the Council direct staff to initiate the 2040 General Plan Update and provide direction to staff on the following:

1. Processing of planning applications during the General Plan Update
2. Preliminary General Plan Update Work Program
3. Public engagement framework
4. Scope of consultant participation
5. Downtown Specific Plan and Climate Action Plan Capital Improvement Projects (CIPS)

Staff prepared a *Town of Truckee 2040 General Plan Summary Report and Preliminary Work Program* to further inform the General Plan Update process.

DISCUSSION: A General Plan is a long term blueprint for the community's vision of future growth and conservation. It is created through public engagement, identification of past challenges and accomplishments and examination of future issues, challenges, goals and emerging trends. California Government Code (Section 65300) requires that each city and county in the State adopt a comprehensive, long-term General Plan to address community growth and physical development. The General Plan must cover long-term planning for the lands within the limits of the agency, as well as lands located outside these boundaries and within the service area of the agency. Under State law, a General Plan must contain the seven, mandated elements: land use;

circulation; housing; conservation; open space; noise; and safety. For cities and counties that have identified disadvantaged communities, environmental justice, including air quality must also be addressed. Consideration of environmental justice is intended to address risks and challenges in disadvantaged communities by creating policies to reduce pollution exposure, improve air quality and promotion of public facilities, food access, safe and sanitary homes and physical activity. Typically, General Plans cover a timeframe or forecast of 15-20 years. For this General Plan Update, staff recommends a 2040 planning horizon (i.e.-2040 General Plan). The one exception is the Housing Element, which is required to be updated every four to eight years (every five years for Truckee) to comply with the "Regional Housing Need Allocation" (RHNA).

The current Truckee 2025 General Plan was adopted in 2006. The preparation of the 2025 General Plan was a community-based update involving stakeholder interviews, community survey, existing conditions "briefing book," series of topic-based workshops and other focused outreach, including Planning Commission and Council involvement. The process for plan preparation and adoption spanned four years.

Why Update the General Plan?

Truckee adopted its current General Plan in 2006 with a twenty year horizon. Since that time, the town has grown and changed. New laws have passed that affect general plans and new land use planning strategies have emerged. These changes among others require a reevaluation of the existing General Plan and conformation of the vision for Truckee. The Council committed to a General Plan update as part of the Town's 5-Year Capital Improvement Project (CIP), setting aside \$1,000,000 to complete the update within three years.

It is not expected that the 2040 General Plan will be a "start-from-scratch" effort. The current 2025 General Plan involved a comprehensive review process resulting in a well-organized document covering a broad range of community goals and policies. Many of the community issues that were vetted through the 2025 General Plan and the earlier 1996 General Plan are still relevant, are well addressed and do not require major change. Staff believes that the best approach is to work from and build-off of the current 2025 General Plan by incorporating the topics and issues that are current and mandated.

Many Town staff have already participated in preliminary general plan update brainstorming sessions in preparation for the General Plan Update kickoff. These include a mini workshop at the annual mid-mangers retreat, a full afternoon discussion on process and public engagement with engineering, planning, recycling and others facilitated by the Town Manager as well as multiple planning staff meetings.

Processing of Planning Applications during the General Plan Update

Staff is seeking Council direction on the processing of planning applications during the General Plan Update process. The Council may choose to continue business as usual or limit planning application (land use application) review during the 2040 General Plan Update. In order to regulate application processing, Council would need to adopt a moratorium for a maximum of two years. A moratorium could be broad-based covering all types of land use applications, or it could be narrowly defined to put certain application types on hold. The reasoning for limiting planning application review includes:

- Prioritization of the 2040 General Plan Update. General Plan updates require significant staff and community resources to ensure the creation of a quality plan that is on point, on time and on budget
- Temporarily halting development pending completion and adoption of a new general plan that is likely to have new community goals and policies specific to land use development
- Prevent a "rush" to develop

- Prevent hasty decisions that would potentially compromise General Plan Update efforts / prevent immediate construction that might be inconsistent with the provisions of a future plan.

The enactment of temporary restrictions on development is a very typical step taken by local governments when doing a plan update. Temporary restrictions including moratoriums have been held to be a valid exercise of a city's police power where the restrictions are reasonable and related to public health, safety or general welfare. Local agencies can enact a moratorium for a broad range of reasons, however, most exempt certain activities such as building permits for approved land use applications and construction of single-family homes / additions. How best to proceed is unique to each jurisdiction.

Staff recommends that at a minimum a moratorium should be considered for land use applications requesting approval of Development Code / Zoning Map Amendments (excluding zoning map amendments needed to satisfy Housing Element RHNA allocations and affordable housing projects), General Plan Amendments, Specific Plan / Master Plan Amendments and residential subdivisions of more than 100 total parcels.

Staff believes that these application types represent significant land use actions that require substantial staff resources. The processing of significant land use applications would limit staff's ability to focus on the 2040 General Plan. In addition, the adopted plan could result in major changes to land uses, densities, circulation decisions and development requirements that could affect properties where land use approval is being requested. Should Council decide to consider a moratorium, staff would prepare a staff report with resolution for consideration in March 2018. As part of this resolution, staff would define all application types affected including exempt activities. Minimum criteria / definition of a qualified affordable housing project would also be created. Council may also consider alternatives that broaden or further limit the staff recommendation such as no moratorium or a complete halt on land use application processing until the 2040 General Plan is complete.

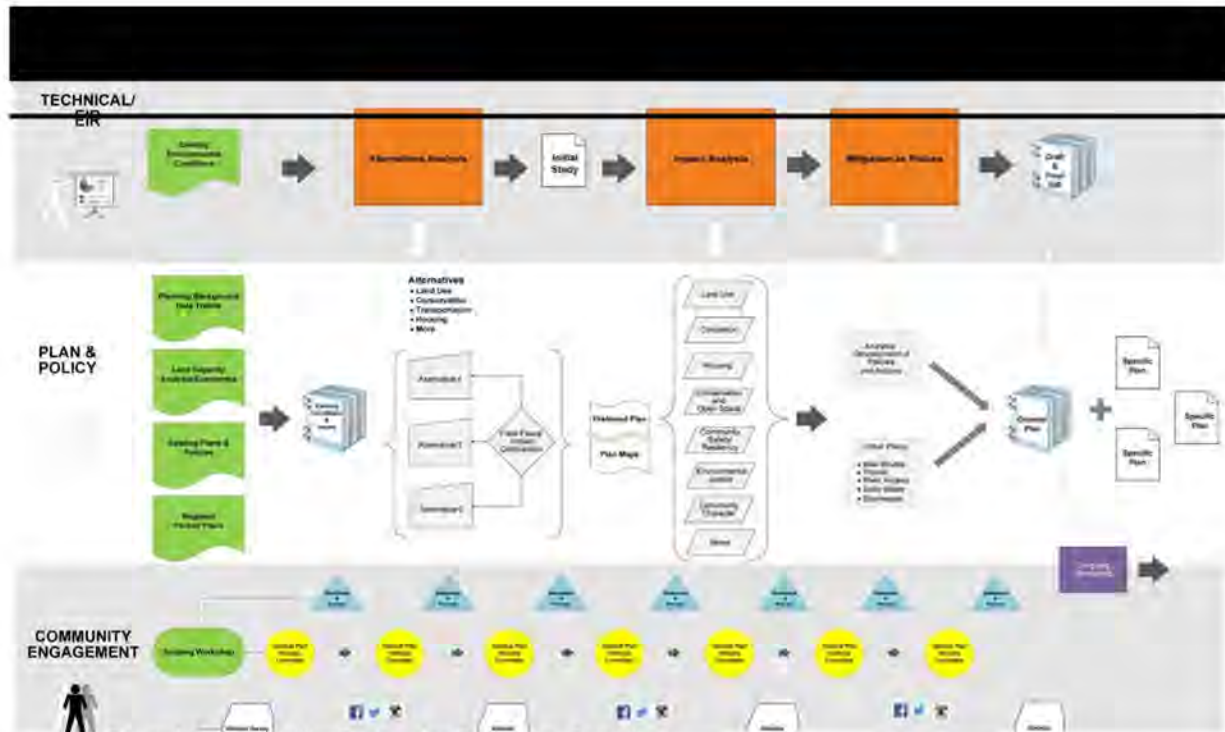
Preliminary General Plan Update Work Program

The General Plan Update is anticipated to span from February 2018 to late 2020. This suggests a 2040 time horizon, although there is no legal requirement for any particular planning horizon. A 2040 General Plan makes sense because it looks out 20 years (a typical time period), and because several of the Town's climate-related and greenhouse gas emissions reductions goals are set at 2040.

The idea is that environmental and technical analysis like traffic congestion and air and water quality are considered from the start of the planning process. This informs land use, housing, conservation and transportation choices, and it ensures that baseline data are being generated once and documented once (saving time and money). It should also ensure a "soft landing" meaning that the ultimate plan choices will not run afoul of a major environmental impact or large mitigation burden. Similarly, by running the community engagement process in stride with policy development, the ultimate plan that is adopted has community input and buy in at every step. Scoping out the major issues and scale of the planning process is informed by community views; addressing what land use/transportation alternatives make sense is informed by community views; and at each key step where disagreement or conflict might arise, there is the Technical Advisory Committee to weigh in and assist staff and consultants in determining the course of action.

The heart of the planning process, however, is still the plan and policies, depicted by the center tier of [Figure 2](#). For a full size copy of the diagram, see the last page of Attachment #1. Identification of

Figure 2. Truckee General Plan Process Flowchart 2018*



* Figure 2 was created by Engineering Technician, Drew Jack

critical issues that need attention, the areas of the Town that might benefit from changes, the alternative policy choices available, and how those translate to land use, conservation and transportation maps, are all important aspects of a general plan update. The planning process centers around creating a series of logical land use/transportation/conservation alternatives, depicted mostly in map/graphic form, and testing those scenarios against various environmental and community benefit criteria to view the relative impacts and benefits of each choice. Once a “preferred plan” is selected (often it is a hybrid of several options), then detailed policies and specific actions and program elements are added to the plan to begin to develop a full draft General Plan. By developing environmental and technical data (and rudimentary modeling ability) up front, it provides the capability to analyze various alternatives for issues like vehicle miles traveled or total housing units created. This provides a basis for the community to select preferred plan elements.

Truckee’s updated General Plan will include not only the current seven required elements, but also new elements required such as Environmental Justice. It is highly likely that previous optional elements used in the Truckee Plan (Economic Development, Community Character) will be retained in some fashion. Bringing in Climate Action Planning into the new General Plan is also highly likely. One of the key early activities that will require considerable community discussion will be the overall scope and extent of the update: which parts of the current plan need updating; which elements should be kept and which ones changed; what areas of Town (e.g Donner Pass Road, Hilltop, Truckee River lands) will want to receive focused attention and potential major land use or density change. Which areas of the Town (e.g. mostly built out neighborhoods or recently planned areas like the Railyard) will suggest very little change and require limited additional attention. These early community decisions will drive a significant amount of planning activity.

Toward the end of the planning process, the three “streams” (environmental/technical, planning policy, community engagement) come together in a single unified draft General Plan document with an Environmental Impact Report, and then a final formal review and approval by the Planning Commission and Council.

Additional background information on timely issues and key General Topics as well as the General Plan Update process is included in Attachment #1.

Public Engagement Framework

Robust and inclusive community engagement is a vital component of drafting and updating a general plan. To update Truckee's General Plan will entail a comprehensive and far-reaching community engagement strategy. It is not enough to “round up the usual suspects” and hear from those who often voice their opinions and ideas at Town Hall, but also to engage those segments of the community who do not voice their opinions as much or who are largely silent on many policy matters, yet are directly impacted by the General Plan and the growth and development of the Town. This might include young people (high school age and younger), second home owners, seasonal workers, non-English speakers, business owners who might only engage on topics directly affecting their business, and others. The goal is to partner with other community engagement efforts that relate to our general plan update efforts, but may have a separate purpose (e.g. - the Truckee Donner Chamber of Commerce's Business Speaks effort) in order to get a large cross-section of input.

Figure 3. Public Engagement



To balance a robust and wide-ranging community engagement program with a finite timeline and limited financial resources, a three-tiered structure is proposed (as depicted in [Figure 3](#)):

1. The first outreach tier is intended to meet people where they are. The reason many people do not show up to Council meetings or workshops is not that they do not care, but because it does not meet their needs. A very broad outreach program, focused but not entirely dependent on web-based platforms, which would reach everyone with an interest in Truckee's future. This outreach tier might include a web-based survey to identify issues and challenges, a dedicated General Plan website with interactive capabilities, social media content with ability to respond on multiple platforms, opportunities to submit ideas in visual form (photos, etc.), and related community facing opportunities. We anticipate that a focus will be put on engaging with our local Spanish-speakers and much of our material would be translated into Spanish. These digital “platforms” would likely be available throughout much of the process.
2. The second slightly narrower tier will consist of a series of community workshops designed to target specific interests and areas, and get feedback on specific topical areas and elements of the plan. These would include a series of large “traditional” community workshops held at Town Hall for all comers. These would likely be spaced out during the General Plan process to coincide with key milestones and products like existing conditions analysis, land use/transportation alternatives and draft plan policies. Equally important,

would be a series of "pop-up" General Plan input opportunities such as at the Farmer's Market, Truckee Thursdays, along the Legacy Trail on a crowded weekend day, home owners association meetings, and business group meetings. These would likely be one time workshops focused on a particular idea, element or plan direction. Similarly, we would arrange for workshops with specific interests such as school age workshops, workshops with a couple key special districts, or area specific meetings (Glenshire, Tahoe Donner, etc.). Leadership at the School District has indicated an interest in partnering with school-related input opportunities.

3. The third and most detail oriented community engagement tier would involve detailed policy development, alternatives selection and policy conflict resolution. For this more focused and content heavy work, staff recommends a General Plan Technical Advisory Committee selected by the Council who would meet regularly once the framework and first draft concepts for the plan are taking shape. This committee's charge would be to work closely with staff (and any consultants) to analyze and weigh the tough policy choices facing the community – how to provide more affordable housing; where or how much to increase densities to drive market rate housing solutions; what additional protective policies might be needed for historic preservation or river protection and restoration; etc. The Committee would also help select land use/transportation alternatives based on analysis of their relative impacts and strengths. Such a committee has great benefit because it can learn deeply about a topic, debate and consider detailed alternatives, and shape meaningful policy choices. That level of depth is difficult to achieve in a large community workshop setting. Possible participants could include a Councilmember, Planning Commissioner, a member of the school district, and various community leaders in business, environment, homeowners, housing, downtown, and other critical aspects of the community.

Additional information on community engagement and outreach is included in Attachment #1.

Scope of Consultant Participation

Updating a general plan is a significant commitment of staff resources and community effort. In addition to a recommendation on the processing of land use applications concurrent with the general plan update process, staff is seeking direction on the staffing component of the General Plan Update. There are numerous options the Council could consider from backfilling the Senior Planner position to hiring consultants to do the majority of the work. There is considerable expertise and interest at the staff level in multiple departments (Town Manager, Community Development, and Engineering) to play a major role in the community engagement process and the planning policy development process, which is why staff recommends using a hybrid model that combines staff resources, contract planning assistance and strategic use of consulting assistance.

Under a hybrid model, a contract planner would be hired to serve as a Project Manager. This person would not be Truckee Town staff, but would work closely with staff in the planning division office 2-3 days per week to keep the plan on track. This is a more cost effective way to bring in a high degree of planning expertise for a 2-3 year project, than hiring a new full-time management-level position within the planning division. Additional consulting firm resources for strategic areas will likely also be needed where staff does not have as much expertise or where external technical support is needed. Examples of this include the Environmental Impact Report, GIS mapping and impact modeling, and designing graphics and community outreach tools on social media platforms. A Request for Proposals for both contract planning help and general plan / EIR preparation would be the next step in the process if Council directs staff to move forward with a hybrid model.

Alternatively, Council could consider a more traditional option of hiring a consulting firm that specializes in General Plan Updates. Under this model the consultant would prepare the 2040 General Plan and EIR and a combination of the Community Development Director and Planning

Manager would act in a project manager capacity. Should Council want additional information on this option, staff could structure the Request for Proposals to consider both a more limited support role and full consulting services.

Based on the planning division's current and projected workload, including implementation of Council priorities, the processing timelines for planning applications, regardless of Council's action on application processing during the General Plan update, are anticipated to increase by several months. This is typical for planning divisions managing a General Plan Update. To help support a high level of customer service, a request for a new planning technician position will be requested with the upcoming budget process.

Downtown Specific Plan/Climate Action Plan CIPS

In addition to the General Plan Update process, staff is currently preparing Five-Year Capital Improvement Project (CIP) budget worksheets. Two of these, an update to the Downtown Specific Plan (CIP C2103) and creation of a Climate Action Plan (CIP C1510), could be combined with the General Plan Update or could remain as separate CIPs. Both of these CIPs will require outreach and input at the same level as the General Plan update. The Downtown Specific Plan update continues to get pushed out with a current timeline of FY 20/21 for initiation and FY 21/22 for completion. The \$150,000 budget does not necessarily allow for a comprehensive update to the plan which is now over 20 years old. If combined as a subset of the 2040 General Plan, it is more likely that the plan will be updated, and be updated consistent with the General Plan and community values. Although this would create additional work, there is significant value in tying into the general plan update process as the community would already be engaged and the consultants hired. Alternatively, the Downtown Specific Plan can remain as a separate CIP to be addressed after the completion of the General Plan Update.

For the Climate Action Plan, staff believes that the majority of the work needed to prepare a Climate Action Plan will be completed with the 2040 General Plan. The technical information and supporting policies could easily be integrated into the General Plan, thereby eliminating the need for a separate document/work task. The tradeoff is that a General Plan has a longer planning horizon of twenty versus five years and is not easily changed (maximum of four times per year per element). The Council should consider how best to address these CIPS moving into the General Plan Update and budget processes. This position would replace the former Senior Planner position held by Jenna Gatto and would "free-up" some salary differential to help pay for a general plan project manager. There is also salary savings because of the vacant Community Development Director position for several months in 2017.

FISCAL IMPACT: General Plan Update CIP C1903 includes a \$1,000,000 budget:

GENERAL PLAN UPDATE FUNDING

	FY 17/18 AMENDED BUDGET	FY 17/18 ESTIMATED ACTUAL	FY18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
General Fund	\$ 15,000		\$ 135,000	\$ 450,000	\$ 400,000	\$ -	\$ -
TOTAL	\$ 15,000	\$ -	\$ 135,000	\$ 450,000	\$ 400,000	\$ -	\$ -

No funds were expended in FY 17/18, although approximately 160 hours of staff time was spent on reviewing the current Governor's Office of Planning and Research (OPR) General Plan Guidelines, attending an OPR-led presentation, researching other recently adopted General Plan and Climate Action Plan, making initial contact with planning consulting firms and independent consultants, etc.

At this time, the full cost for completing and adopting the 2040 General Plan is unknown. When a Final Work Program is developed, the full budget will be presented to Council for review and approval. However it is anticipated that the current funding will be adequate.

Staff is currently working on a total of three SB-1 grants (on this Council agenda), two of which would directly support the General Plan Update. One is for the land use plan component of Envision DPR and one is for climate action planning. If funded, there could be an additional \$280,000 to \$300,000 available, either increasing the general plan's level of detail and analysis or offsetting some of the costs. In addition, more grants could be pursued to further enhance general plan update efforts.

PUBLIC COMMUNICATIONS: Standard Town Council Agenda posting with additional outreach on the Town's Facebook page. Community engagement and outreach are a significant component of a General Plan Update process and once initiated by Council will encompass a variety of outreach methods.

Several Town staff participated in the development of this staff report and the associated 2040 General Plan Summary Report and Preliminary Work Program, including Town Manager, Jeff Loux, Nick Martin, Administrative Analyst II, Engineering Technician Drew Jack, and others.

ATTACHMENTS:

1. *Town of Truckee 2040 General Plan Summary Report and Preliminary Work Program*
 - a. Truckee General Plan Process 2018



**Town of Truckee 2040 General Plan
Summary Report & Preliminary Work Program**

February 13, 2018

Prepared by:
Denyelle Nishimori, Community Development Director

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I. INTRODUCTION

A. General Plan Required by State Law

California Government Code (Section 65300) requires that each city and county in the State adopt a comprehensive, long-term General Plan to address community growth and physical development. The General Plan must cover long-term planning for the lands within the corporate limits of the agency, as well as lands located outside these boundaries and within the service area of the agency. Per State law, a General Plan must contain the following seven, mandated elements:

- | | |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Land Use Element | Addresses the general distribution of land uses, establishes land use designations with set densities and intensities, assigns land use designations to individual properties (Land Use Map), and identifies the projected growth forecast for community build-out. |
| Circulation Element | Addresses the general location of the existing transportation network (roads, thoroughfares, transportation routes), as well as proposed or long-term transportation improvements. The Circulation Element must correlate with the Land Use Element meaning the projected land use growth must be supported by a transportation network that supports this projected growth. |
| Housing Element | Addresses the agency's existing housing stock as well as the housing policies and needs. The Housing Element must address and comply with the "Regional Housing Need Allocation" (RHNA) that is assigned to the agency by the State Department of Housing and Community Development (HCD) via the regional planning agency (ABAG - Association of Bay Area Governments). The RHNA is the number of residential housing units the agency must zone for to accommodate new housing in a range of affordability levels. The RHNA is released in cycles (every five years) meaning that the Housing Element must be reviewed and updated in each cycle. Each cycle of the Housing Element update must follow specific procedures and requires certification by HCD. |
| Conservation Element | Addresses the protection, utilization and development of natural resources for both public and private lands. Natural resources include, but are not limited to waterways, wetlands, fisheries and forests. |
| Open Space Element | Addresses the protection, utilization and management of open space for both public and private lands. Open space is unimproved land that is devoted to, among others, the preservation of natural resources, management for agriculture and food production, utilization for outdoor recreation, and management for the |

protection of public health and safety (e.g., hazard zone).

Noise Element

Addresses general noise conditions in the community. A noise element is required to recognize the guidelines set forth by the State of California Office of Noise Control and Department of Health Services. Current and projected noise levels are required to be analyzed and quantified for the following sources: a) highways and freeways; b) primary arterials and major local streets; c) passenger and freight on-line road operations; d) commercial and private airports/heliports; e) light industrial plants; and f) other ground stationary noise sources that have been identified as contributing to the community noise level.

Safety Element

Addresses protection of the community from any unreasonable risks associated with seismically-induced events, slope instability, flooding and wildland fires. The safety element also addresses essential facilities and services to address, among others, emergency response time for first responders.

Each element is required to contain: a) goals and policies to address community issues and interests; and b) programs to ensure that there is a means to achieve each of the goals and implement the policies. General Plans cover a time frame or forecast of 15-20 years. Other than the mandatory review cycle for the Housing Element, there is no mandate to update the other elements during the "life cycle" of the General Plan. However, Government Code Section 65400 requires that an annual report be prepared to address the status of the plan and progress in its implementation. The Town addresses implementation as part of the Community Development Annual Report which is typically prepared by the Planning Division annually in March-April.

The preparation, review and adoption of a General Plan is considered to be a "project" under the California Environmental Quality Act (CEQA) and is subject to environmental review. Typically, an Environmental Impact Report (EIR) is prepared to assess the impacts of the General Plan, its policies and programs. The EIR is prepared at program-level analysis / review ("Program EIR"), allowing subsequent development and General Plan implementation to "tier" from this document for project level analysis.

B. History of Truckee General Plans

Truckee has long history of active community planning rooted in significant community participation. This includes involvement by a variety of stakeholders including interest-focused groups, homeowners associations, neighborhoods, businesses, employers, special districts/agencies and community partners such as the Family Resource Center and Community Collaborative. Much of what went into Truckee's early General Plans was based on strong passion to be "in control of our

own destiny." Quality land use planning and roads, community character, and diversified economic opportunities, among other aspects, are some of the key traits Truckee developed to create distinction from Nevada County and other surrounding jurisdictions.

1996 Truckee General Plan

As the first General Plan, the 1996 General Plan was the starting point in compiling and expressing Truckee's vision. With limited resources, staff conducted surveys, met with stakeholders and presented the Council with a series of goals and polices, many of which were carried through to the 2025 General Plan and remain relevant today. Key community values of preserving Downtown as the heart of the community, protecting and enhancing our natural resources, and preserving the small mountain town character became commonly understood as Truckee's quality of life. During the lifespan of the 1996 General Plan (1996-2006), Truckee experienced significant development pressure including but not limited to major land use planning efforts with Planned Community 2 (Gray's Crossing), Planned Community 3 (Joerger Ranch) and the Hilltop Master Plan. The significance of land use planning became an even greater focus with the 2025 General Plan as a result of growth pressure.

The first Housing Element was adopted concurrent with the 1996 General Plan.

2025 General Plan

Probably one of the most controversial issues that arose in the 2025 General Plan update process was the difference between active and passive open space. And more specifically, if golf courses should be considered as open space. On the surface this could be perceived as a minor issue, however, it factored into an on-going community dialog about Truckee's place in the greater Tahoe region. Beyond being a gateway to Lake Tahoe, was Truckee a resort destination or something else? Golf courses were the tip of the discussion about how Truckee wanted to grow—continue to be an attraction for visitors and second homeowners, or build quality of life for those wanting to live and work year-round. Ultimately, the 2025 General Plan was adopted with a prohibition of new golf courses, clear directives about creating open space that is accessible to all, creating connected neighborhoods and shifting to economic diversification and self-reliance. New elements were added to the General Plan specific to community character and economic development to ensure goals were met.

The Town hired planning consulting firm, DC&E, to help with a more robust public participation process than with the 1996 General Plan. DC&E worked diligently alongside staff to collect valuable public input and information share. Although the 2025 General Plan vision statement did not change significantly from the 1996 General Plan, the new policies and actions that were created have guided development under the same collaborative, leadership spirit incorporated in the 1996 General Plan. The adoption of the Railyard Master Plan was one of the most significant planning efforts completed under the 2025 General Plan with other significant building occurring in Old Greenwood, Gray's Crossing and beyond Truckee in Placer County (Martis Camp,

Northstar, Squaw Valley, etc.).

The 2025 General Plan has been amended five times since its adoption. These include amendments to the land use designation map (TDPRD Community Center, Kahn Commercial building in the Gateway area, Old Greenwood fractional units to full-time, Gray's Cottages site to allow subdivision) and the land use element (clean-ups specific to housing density). None of these were substantial changes to content.

Updated housing elements were adopted in 2005 (2005-2009 planning period), 2009 (2007-2014 planning period), and 2014 (2014-2019 planning period). Work has begun on the next update which is anticipated to be considered by the Council for adopted in 2019.

II. INITIATING A GENERAL PLAN UPDATE

The Town's current 2025 General Plan, has been in place since 2006. Generally the Town has committed to updating the General Plan about every ten years to ensure the adopted goals and policies continue to implement the community vision. In addition, new State laws and regulations coupled with changes to conditions in the community (such as greater emphasis on locals/workforce housing and sustainability) make the update timely. The new general plan, once updated and adopted, will guide Truckee for the next 20 years (2020-2040). There is no legal requirement for any particular planning horizon, however, 20 years is a common timeline.

Although Truckee does not have an established procedure for initiating and processing General Plan amendments, the Council has committed to prioritization of the General Plan update. In addition, staff is seeking Council direction on a preliminary work program, including public engagement, to ensure that the process moving forward reflects the Council's goals and public input.

III. GENERAL EXPECTATIONS

The 2025 General Plan was a comprehensive update built on core 1996 General Plan principles. It was not a "start-from-scratch" effort. There was significant public involvement for this comprehensive update and the update process took four years to complete. Given new emerging community issues and priorities such as affordable housing, sustainability and changes in legislation / general plan requirements such as climate planning, environmental justice, air quality and traffic thresholds (i.e.-moving from Level of Service to Vehicle Miles Traveled), a general plan update is needed. Similar to the 2025 General Plan, staff does not anticipate the 2040 General Plan to be a start-from-scratch effort, but rather an update to address timely issues and changes in State laws.

Staff's expectation is that the update effort will take approximately three years (or less

depending on Council's directives for land use application processing and consultant commitments), to cover the following general milestones and tasks:

2018

- Hire project manager, formally kick-off the General Plan Update process, refine the work plan and public engagement process, establish a technical advisory committee, hire an environmental consulting firm and begin work on the General Plan Environmental Impact Report (EIR)
- Review current 2025 General Plan, identify key topical issues, prepare Background Report
- Public outreach and engagement

2019

- Continued public outreach and engagement
- Preparation of Draft 2040 General Plan and EIR (to be made public as available)
- Community, Planning Commission and Council check-ins on community input / areas of conflict

2020

- Continued public outreach and engagement
- Planning Commission and Council review of Draft Plan and EIR
- Review of Final Draft General Plan and EIR by Planning Commission and Council
- Council and adoption of Final 2040 General Plan and EIR

Staff does not anticipate going beyond a three year timeframe. Depending on the scope of public comment and how the various interests are pulled together in the plan, a shorter timeframe is possible. Additional details on processing timelines will be provided with future staff reports after consultants are hired and working alongside staff.

IV. 2040 GENERAL PLAN BUDGET

Council has allocated \$1,000,000 to the General Plan Update process. This amount covers the hiring of all necessary consultants for preparation and completion of the Plan and associated Environmental Impact Report (EIR). Staff will provide periodic budget check-ins with Council throughout the process to determine if adjustments are necessary. Although staff does not anticipate that additional funds will be needed, depending on the issues raised through public participation and the scope of these topics, Council may need to reconsider the budget. There is an additional \$200,000 in one time savings for the portion of 2017 where there was no Community Development Director and a likely position change in the budget from a now vacant Senior Planner to a Planning Technician. This funding could be used toward additional General Plan efforts. In addition, staff will be requesting over \$250,000 in SB-1 grant funds for specific General Plan components such as Donner Pass Road and climate action planning. If successful, this additional money will either enhance the \$1,000,000 Town General Fund expenditure or expand the level of detail and effectiveness of these plan elements.

Throughout the update process, there will be various contracts that are brought before the Council, such as contract to hire a project manager, an environmental consultant(s), and other tasks for which

the contracts will be paid for through the General Plan Update CIP. Staff is committed to staying on task and on (or under) budget.

V. TIMELY ISSUES & KEY TOPIC AREAS

The following list of timely issues and key topics was prepared by staff based on current trends and recent community dialog. It is intended to start the conversation about current General Plan deficiencies and General Plan Update opportunities. It is by no means comprehensive, but does represent the types of issues that need to be considered further. The General Plan Update public engagement process will serve as means to develop a comprehensive list of topics and issues.

A. Land Use

1. Climate Planning. Our development patterns directly affect how we will be able to address climate change in the future. The Sustainable Communities and Climate Protection Act of 2008 (Sustainable Communities Act, SB 375, Chapter 728, Statutes of 2008) supports the State's climate action goals to reduce greenhouse gas (GHG) emissions through coordinated transportation and land use planning with the goal of more sustainable communities. Under the Sustainable Communities Act, the state Air Resources Board (ARB) sets regional targets for GHG emissions reductions from passenger vehicle use. In 2010, ARB established these targets for 2020 and 2035 for each region covered by one of the State's metropolitan planning organizations (MPO).

Each of California's MPOs must prepare a "sustainable communities strategy" (SCS) as an integral part of its regional transportation plan. The SCS contains land use, housing, and transportation strategies that, if implemented, would allow the region to meet its GHG emission reduction targets. Truckee is considered a "Non-MPO Rural Regional Transportation Planning Agency Area." This means that preparation of an SCS is not mandatory, however, the strategy fundamentals are present throughout the Town's current general plan and will be even more important with the 2040 General Plan. Potential strategies could include:

- Compact mixed-use growth in areas accessible to transit
 - More multi-family housing; jobs and housing closer to transit and each other
 - Investment in transit, biking and walking infrastructure to improve active transportation options as well as transit access
 - Innovative finance mechanisms that incentivize reduced vehicle miles traveled (VMTs)
2. Update Land Use Inventory. Traditionally, General Plans include a land use inventory, which provides a snapshot of existing community uses and the amount of land available for various uses like housing or businesses in the future. This land use inventory is usually included in the General Plan Background Report, which is one of several supportive documents that are used to prepare the General Plan and General Plan EIR. In the past, preparing a land use inventory was a tedious task as it involved many hours of field checking and mapping. For the last land use inventory, the General Plan consultant completed the field checking and prepared the updated inventory.

Since the last General Plan background work was done in 2003-2004, technology has changed making it easier to prepare a land use inventory. With tools such as GIS, the

mapping is more streamlined and accurate, which will also reduce the time for field checking. The inventory should be updated to ensure an accurate assessment of available lands for buildout and to support the community's vision for future growth.

3. Revisit Density/Intensity and Land Use Mix. The Land Use Element includes very specific policies setting limits for residential densities, non-residential floor area ratio limits, and allowed land uses by location. Since the 2025 General Plan adoption in 2006, several specific plans and master plans were adopted (Hilltop Master Plan, Railyard Master Plan, Joerger Ranch Specific Plan, Coldstream Specific Plan, etc.) that have changed the buildout expectations for Truckee. In addition, with current community concern about the lack of workforce and affordable housing and changing climate, there is need to revisit Truckee's land use mix and allowed densities from a comprehensive perspective. This includes consideration of potential changes to better capture community character, locals housing, sustainability and economic development goals. Other factors to consider:

- a) State of California Government Section 65583.2 (California Housing Element Law) mandates a minimum residential zoning density for high density housing. Truckee does not have minimum residential densities with the exception of the RMW-20 zone within the Joerger Ranch Specific Plan. In addition, Truckee maximum allowed residential densities are generally low, making it that much more difficult to create new affordable housing opportunities. The Council will want to consider the development patterns that have been created through current land uses designations versus changes that could better support higher density housing and / or housing in proximity to jobs and transit.
- b) Truckee is growing and at present, there are ten major development projects that are under review either as formal applications or in concept. These include:
 - South Balloon mixed commercial project in the Railyard
 - The Village at Gray's Crossing
 - Hotel Avery
 - Railyard Movie Theater (preliminary review)
 - Jibboom Street Hotel and Townhomes
 - Hilltop Master Plan Re-Boot (preliminary application)
 - Alpine Country Lodge Hotel/Gas Station Food Court (preliminary review)
 - Grocery Outlet
 - Joerger Ranch Tentative Map/Re-zone/Specific Plan/General Plan Amendment
 - Pombo Use Permit Amendment

In addition, staff anticipates several new planning application submittals in the next several months that would encompass other vacant / underutilized lands. These include several hotel proposals throughout the community. There are also other major development projects that are approved, but have not yet started construction. These include projects such as Coburn Crossing (hotel and multi-family housing), Nugget Markets grocery store, Artist Lofts, etc. With the volume of recent activity, there is growing concern about the amount and pace of development and the Town's ability to

support the associated circulation and housing needs without compromising community character. The Council's direction on land use application processing during the General Plan Update will have an important role in shaping community dialog about land use.

4. Revisit Land Use Map—Land use map changes would correspond to any land use designation changes that are recommended as part of the General Plan Update. These have not been identified yet although staff anticipates public and property owner requests as part of the update process.

B. Housing

The Housing Element is the only mandatory element of the General Plan that is required to be periodically reviewed and updated. The current 2014-2019 Housing Element was updated and adopted in 2015 to comply with unmet need from the 4th RHNA cycle and to accommodate the 5th cycle RHNA allocation. The next mandatory update has started with a targeted adoption in 2019. Therefore, it is not anticipated that major changes would be warranted to this element in the 2040 General Plan Update process. Nonetheless, the following topic areas are current and critical to housing, and should be considered in the 2040 General Plan process:

1. Achievable/Attainable Housing for Locals—Achievable or attainable housing is a new term that has emerged in recent community housing discussion when talking about “locals” and workforce housing. The concept is that housing should be available to everyone that is living and working in Truckee regardless of their income. In order to put people in housing, there needs to be a greater variety of product type and affordability. In concept this is simple, but the reality for a community like Truckee is significant competition from tourists (short term home rentals) and second home / investment purchasers.
2. Regional Growth Pressures—Just as Truckee continues to gain in popularity, so do surrounding areas. The Mountain Housing Council is tasked with looking into affordable housing issues at a regional level with the goal of finding implementable solutions to the ongoing housing problems (lack of affordable housing). Their work to date and continued participation will be important in understanding how to create new policies that further housing that is affordable to a greater segment of the community. Although the current General Plan includes a variety of policies to further housing opportunities, greater success could be achieved with more specific thresholds and actions.

C. Community Character

Recent community dialog about grocery stores, the volume of development, short-term rentals, traffic, cannabis, high density housing, 100% renewable energy / sustainable growth and related topics is testing Truckee's vision as a small mountain town community. Although Truckee has long acknowledged its attractiveness for growth, at what point does “small mountain town” take on a new definition? The 2040 General Plan will likely be more important in defining Truckee than the previous two general plans as growth pressures continue to test Truckee's essence. One aspect of community character that is not currently reflected in the Community Character Element is urban design. Urban design can address a variety of site planning and architectural features from streetscapes to placemaking / sense of place. Incorporation of key concepts such as urban design and “Truckee Funk” into the General Plan would better convey Truckee's unique character.

D. Economic Development

Continued unpredictable weather patterns reinforce current General Plan economic goals for greater diversification of businesses that do not rely solely on tourism. New heightened interest in sustainability supports the need to consider economic development in the context of the environment and the people working for and patronizing the businesses. Many cities have incorporated business employment targets as part of their "healthy communities" discussion and also address business displacement as part of an economic health assessment.

E. Circulation

Aside from the Land Use Element, the Circulation Element is arguably the most often scrutinized element in the General Plan. Careful planning of the circulation system is necessary to accommodate planned growth and change, while maintaining quality of life. While this element addresses vehicle circulation, the goals, policies and programs address mobility for all users. Since the 2006 adoption of the 2025 General Plan, there have been some major changes in State laws which shift the focus of transportation planning on sustainability in order to reduce regional commute travel and promote alternative modes of travel (Senate Bill 743). In addition, emerging technologies like autonomous vehicles and ride sharing may come into the conversation. The Circulation Element will require a detailed review and will likely be subject to substantial revisions. The following will need to be considered in this effort:

1. Senate Bill 743- CEQA Changes from "LOS" to "VMT." In 2015, major changes to the California Environmental Quality Act (CEQA) were passed through SB743. These changes are intended to streamline the CEQA process, primarily for infill projects near major transit. The most substantial change to the CEQA Guidelines is how transportation / circulation is to be analyzed for environmental review. For the past 30-40 years, local agencies have assessed transportation and circulation impacts to local intersections and arterials using the "Level of Service" (LOS) methodology. Simply described, LOS measures delay (in time) at a signalized intersection or along an arterial segment. Common mitigation to maintain set LOS standards include, among others, street widening to accommodate additional travel lanes, signalization, and signalization timing, which are all focused on facilitating the movement of motorized vehicles. Like most other California cities/towns, Truckee has relied on the use of LOS to assist in managing land use and circulation. Further, the public has come to know and rely on this method of traffic review as a means to maintain quality of life.

The change in the CEQA Guidelines requires that the LOS methodology be replaced with a "Vehicle Miles Traveled" (VMT) methodology. The VMT methodology shifts the review of traffic and circulation from assessing local intersection and arterial impacts to assessing the number miles traveled by motor vehicles that are generated by or attracted to a project (origin and destination). The VMT methodology also captures trip length so can it account for regional location. Simply said, the longer the trip length from origin to destination, the greater the impact. This methodology is not new; it is a tool used in assessing air quality impacts. In fact, one of the prime reasons VMT is recommended for assessing transportation and circulation is that it indirectly promotes the reduction of GHG emissions. By using VMT, projects generating the shortest trip length result in lower traffic impacts and lower GHG emissions. Therefore, infill projects close to transit with access to a pedestrian and bicycle network would have a lower traffic impact than a suburban subdivision.

To comply with the SB743, local agencies will be required to transition to using VMT for environmental review by 2019. Therefore, the current timing to initiate the 2040 General Plan is critical. A VMT model will need to be developed, which will require the services of a transportation consultant. It should be noted that SB743 does not preclude a local agency from continuing to use the LOS methodology for local planning purposes. Therefore, Truckee can continue to plan for coordinating land use and circulation as we have for the past 20 years utilizing the LOS tool. However, with this change, the use of LOS for individual development projects would no longer be a required element of a CEQA / environmental document. Rather, an LOS analysis would be a part of the development project merits review to determine consistency with the General Plan.

The current LOS tool is important in tracking the planned transportation improvements that are listed in the Circulation Element. These planned improvements support the Town-wide traffic mitigation fees that are charged to new development projects. Some larger cities (e.g., San Francisco) have completely eliminated using LOS as a method for assessing individual development projects. Should the Council decide that a LOS threshold be maintained, the General Plan would need to be updated to consider the tradeoffs between mobility and other community goals.

2. Complete Streets. Assembly Bill 1358, The California Complete Streets Act, which was adopted in 2008 requires that all cities and counties, starting in January 2011, plan for the development of multimodal transportation networks. Multimodal transportation networks allow for all modes of travel including walking, bicycling and transit to be used to reach key destinations in a community and region safely and directly. Jurisdictions can use complete streets design to construct networks of safe streets that are accessible to all modes and all users no matter their age or ability. The Town's current 2025 General Plan does not directly address the California Complete Streets Act. The recent changes to Brockway Road and Brickelltown, and proposed changes to Donner Pass Road with Envision DPR, move in a direction of complete streets.
3. Other. The Circulation Element will also need to be updated better address alternative transportation and climate change, mobility, healthy communities and new technology infrastructure (i.e.-electric vehicle charging stations, fuel cell stations, etc.).

F. Sustainability

Although Truckee's current General Plan does not have an exclusive sustainability element, sustainability is a common thread throughout the plan, including in the Conservation and Open Space Element. There is significant community interest in sustainability-related topics such as greenhouse gas (GHG) reduction, 100 percent renewable energy, improved water / air quality, resource conservation, watershed restoration and land preservation.

The Council also committed to preparation of a Climate Action Plan as a separate CIP, which should be re-visited as part of the General Plan Update process. It could be beneficial to incorporate the Climate Action Plan into the general plan, thereby using the same consultants and consolidating information into one document. Several new State requirements specific to air quality and environmental justice will overlap with information typically contained in a climate action plan.

G. Safety

The Safety Element addresses potential risk to the community and damage to property resulting from fire, flood, geologic hazards and other public health and safety hazards. With the increased frequency of natural disasters in California / throughout the nation and given Truckee's more specific threats of wildfire, extreme snow/rain events and the resulting challenges, the 2040 General Plan will need to take a closer look at preventative actions and strategies to ensure Truckee's long-term health.

In addition, California SB 379 requires all cities and counties to include "climate adaptation and resilience strategies" in the safety elements of their general plans beginning January 1, 2017. Many cities have created "Climate Adaptation and Resilience" elements to meet the minimum requirements of a vulnerability assessment and implementation measures including the consideration and implementation of natural infrastructure that may be used in adaptation projects. One of the SB-1 grants being pursued would expand our capacity to address these issues.

H. Noise

As required by State law, the Noise Element must address noise generating uses and sources and measures to attenuate noise for maintaining quality of life. The last town wide, quantitative noise analysis was prepared in 2004 for the 2025 General Plan. An update of this noise analysis will be required, which will include baseline (existing) noise readings along major roadways, unique noise sources (e.g., the Railroad, Truckee Airport), as well as future noise projections based on the growth forecast. The noise standards (decibel limits) set forth in the Noise Element will need to be revisited to ensure that they adequately reflect community noise goals.

I. Air and Water Quality

Air quality and water quality, although addressed in the current 2025 General Plan, are not a major focus. Some jurisdictions have separate elements or a combined element to address these important topics, which may be something for Truckee to consider given the commitment to the natural environment. In addition, there have been several actions by the State to improve air and water quality that are not currently addressed in the General Plan which will need to be incorporated. These include the 2006 passage of the California Global Warming Solutions Act (SB32), the Sustainable Communities Act (SB375) and Government Code section 65302.1(c) which requires the adoption of air quality element in general plans. Water quality laws (e.g., Clean Water Act) and permitting also have changed and are substantially more stringent. Several years ago, Truckee's NPDES (National Pollution Discharge Elimination System) General Permit was renewed, which set new water quality and discharge standards. Water quality policies and programs will need to be updated to address the renewed permit requirements. A report describing local air quality conditions including air quality monitoring data, emissions inventories, lists of significant source categories, attainment status and designations and application state and federal air quality plans and transportation plans is also now required be included in general plans.

J. Environmental Justice

Senate Bill 1000 now requires cities and counties that have disadvantaged communities to incorporate environmental justice policies into their general plans. "Disadvantaged communities" general covers an area(s) that is low-income and disproportionality affected by environmental pollution and other hazards that can lead to negative health effects, exposure or environmental degradation. There are many ways to address environmental justice from standalone elements to integration throughout multiple elements. This topic will be covered

with the public engagement process and additional direction will likely develop as background work is completed and comments are compiled.

K. Arts & Culture

Support for an enhancement of arts and culture in Truckee has been a growing community dialog. The most recent evolution targets the need for an “Arts Master Plan,” possibly integrated into the 2040 General Plan. The current General Plan has some goals and polices about arts and culture, but there is opportunity to strengthen the community’s vision. The challenge with creating an art-specific element in the General Plan is the rigidity it creates. Arts and culture are fluid, dynamic aspects of the community that work best when they are supported and enhanced, but not restricted. General Plans are intended to project long-term version at a big picture comprehensive level. This can be done through targeted goals and policies in the Community Character, Land Use and Economic Development Elements.

The who, what, when, where are how of arts and culture is currently being developed as an “arts strategy” policy document for Council consideration. The benefit of creating a policy through Council resolution is that is can be more easily modified and structured to focus on details. The intent of creating the policy is to further inform the General Plan Update process and better express big picture principles, goals and policies.

L. Community Outreach and Engagement

Robust and inclusive community engagement is a vital component of drafting and updating a general plan. State law requires the local planning agency to provide opportunities for the involvement of the community. Such involvement should include public agencies, public utility companies, community groups, and others through hearings or other appropriate methods (Gov. Code § 65351).

Figure 1. Public Engagement Spectrum



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The law also requires that a jurisdiction make a diligent effort to include all economic groups when drafting, adopting and implementing its housing element.

By law, cities and counties must hold at least two public hearings before adopting a general plan: one by the Planning Commission and another by the legislative body. This is the minimum requirement and is by no means an effective engagement and outreach process. There are several effective public engagement tools that will be used in the 2040 General Plan Update to ensure wide participation. Figure 1 provides an illustration of the engagement spectrum. How public engagement fits within the General Plan work program is further illustrated in Exhibit A and discussed in the General Plan Technical Advisory Committee and Supportive Advisory Teams sections of this summary report.

VI. GENERAL PLAN TECHNICAL ADVISORY COMMITTEE

A community-based plan approach ensures maximum participation and input from key community stakeholders and special interest groups. For this update, staff recommends that a "General Plan Technical Advisory Committee" be formed to provide guidance, oversight and direction through all phases of the 2040 General Plan preparation, publication and adoption process. To be effective and efficient, the advisory committee should have approximately 15 members, with each member representing a specific stakeholder group. Should Council direct staff to create a committee, staff would prepare a Council resolution with defined participant list. Possible participants could include some of the following:

- *Councilmember (and alternate)*
- *Planning Commissioner (and alternate)*
- *Housing advocate representative*
- *Alternative transportation advocate*
- *Building community representative*
- *Non-profit representative*
- *Homeowners association representative*
- *Developer*
- *Business owner (small—25 employees or less)*
- *Business owner (larger—more than 25 employees)*
- *Environmental advocate representative*
- *Youth member from local high school*
- *Community member at-large rep (one or more)*

The concept is that the advisory committee would be representative of the community and participate in the update process by doing the heavy lifting. The Committee's charge would be to work closely with staff / consultants to analyze and weigh the tough policy choices facing the community. Prerequisites for appointment to the advisory committee could include a requirement that the participant: 1) be a Truckee resident; and 2) if representing a specific group or organization, a written endorsement. For business or advocacy groups, the pre-requisite could be broadened to include: 1) a principal in a business or non-profit (business owner, manager or board member) located in Truckee, or 2) a Truckee property owner. The Council would also want to consider appointment of alternates or back-up participants to ensure equal representation across the committee.

The advisory committee meetings will likely vary in frequency depending upon the phase in the General Plan process. It is estimated that the General Plan 2040 process will cover a two-three year period and technical advisory committee meetings may be held as frequently as twice a month. However, there would be periods during this process when technical consultants would be preparing critical studies and a monthly "check-in" with the advisory committee would be

adequate.

As specific topic areas are studied and addressed during this update, Working Groups (several members and alternate of the advisory committee, staff [Supportive Advisory Teams; see Section VII] may need to meet on an ad-hoc / as-needed basis.

VII. SUPPORTIVE ADVISORY TEAMS

Preparation of the 2040 General Plan will require the guidance and input from a variety of segments of the community. The creation of Supportive Advisory Teams would be an additional way to gain valuable feedback from more than the usual participants. These teams could be used to provide additional focused/topic-based input to the General Plan Technical Advisory Committee without requiring the same level of time commitment and presence as an advisory committee member. An example would be an advisory team of outdoor enthusiasts, artists, home-based business operators / employees including tech-based business, stay-at-home caretakers, etc. The specifics of these advisory teams would be developed further with a final General Plan Work Program, should Council determine this approach important in the public outreach programming.

The creation of additional advisory teams consisting of Town staff, special districts / agencies and community organizations is also recommended to provide platforms for these groups to provide input and work through competing interests.

VIII. APPROACH TO STAFFING & CONSULTANT SERVICES

Staff recommends that a "Project Manager" be hired to oversee the 2040 General Plan process (serve as lead author, manager of technical consultants/CEQA process, coordinate the General Plan Technical Advisory Committee, staff advisory team). This role is one that was previously served during the 2025 General Plan 2020 update process by a former Town Planner position. Due to current planning workload, reconfiguration of the planning division management structure to replace the Town Planner position with a Planning Manager, planning staff does not have the capacity to maintain current levels of project review and customer services and take on a General Plan Update. The Project Manager would report to the Community Development Director and Planning Manager, and serve as the day-to-day lead on the update efforts. Following initiation of the General Plan update by the Council, staff would issue a Request for a Qualifications (RFQ) to solicit qualifications for the Project Manager. The qualifications would be reviewed and the top three most qualified applicants for the project manager would be short-listed. Staff would then issue a Request for Proposals (RFP) and interview all firms/individuals that submit a proposal. The RFP's would include specific proposals for services, including budget, detailed approach, etc. Staff intends to include a Planning Commissioner and Councilmember and key staff on the interview panel for the Project Manager.

Once a Project Manager is hired, one of their first tasks would be to refine and further develop the work program and start to assemble a team of technical consultants. Alternatively, should the Council decide to slow down or possibly stop some types of land use application review and processing, the hiring of a more traditional general plan consulting firm could be considered. Under this alternative, one consulting firm could be hired to complete both the 2040 General Plan and EIR with staff in a support/oversight role.

IX. GENERAL PLAN AMENDMENT PROCESS

A. Required Procedures

The Town does not have adopted General Plan Amendment procedures. However, the State limits General Plan amendment frequency to no more than four times per year per element.

During the initial phases of the 2040 General Plan process, the Town is required to comply with Government Code Section 65352.3 and 65562.5 (SB18), which is an offer of tribal consultation to local Native American Tribe (e.g.-Washoe, Maidu). The local Native American Tribe must respond within 90 days of the notice. Should tribal consultation be requested, the results of the consultation will be addressed in the 2040 General Plan and EIR.

B. Review of Planning Applications

The Council may choose to limit planning application (land use application) review during the 2040 General Plan Update. This could be as broad-based as a moratorium on all new applications for the duration of the General Plan Update, or could be limited to only certain types of applications such as subdivisions creating a certain number of parcels, zone changes/General Plan amendments, commercial development over a certain gross floor area or applications with specific land uses. Council's will provide direction to staff on this issue before finalizing the 2040 General Plan Update work program.

X. PRELIMINARY WORK PROGRAM

Preliminary Work Program has been prepared to initiate the 2040 General Plan process and to provide a guide in the initial stages of the Plan scoping, and to assist in technical consultant hiring process. The Final Work Program will be developed by the Project Manager or the Community Development Director depending on the Council's directives for consultants and initial input is provided from the 2040 General Plan Technical Advisory Committee & Advisory Teams.

Preliminary Task / Milestone	Preliminary Timeframe
Selection of Project Manager	April 2018
Selection of General Plan and Environmental Consultants	May 2018
Appointment of General Plan Technical Advisory Committee	June 2018
Final Work Program Completed	July 2018
Initial Issues Identification	May 2018-Oct 2018
Public Outreach	February 2018-Dec 2020
Policy Refinement	July -Jan 2019
Draft General Plan	May-Aug 2019
Preliminary Feedback from Planning Commission and Council on Draft Plan	Sept-Nov 2019
Notice of Preparation	Dec 2019
Draft EIR	Jan -April 2020
Policy Refinement	Jan-April 2020
Public Review and Hearing on Draft EIR	Apr-May 2020

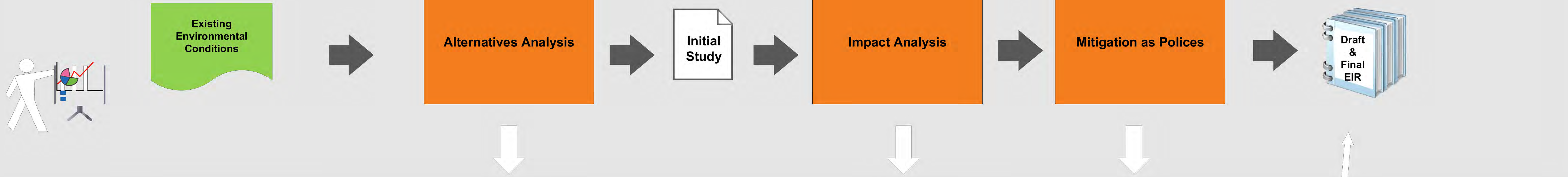
Preliminary Task / Milestone	Preliminary Timeframe
Final EIR	June- Aug 2020
Planning Commission Review	Sept- Nov 2020
Council Review and Adoption	Dec 2020

XI. NEXT STEPS

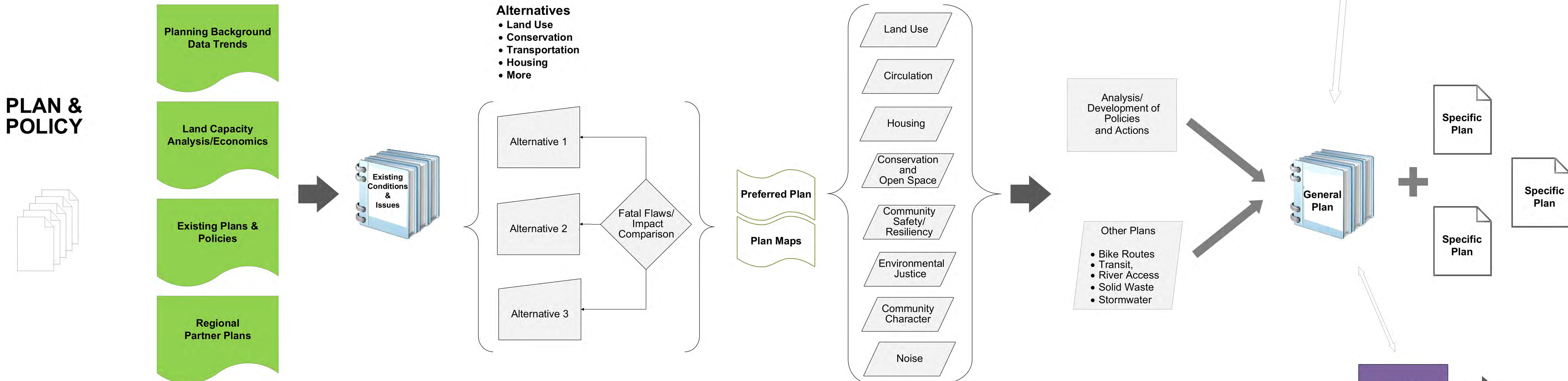
If Council directs staff to initiate the 2040 General Plan process, staff will work on the consultant selection process. The Council may also choose to create a General Plan Technical Advisory Committee and / or limit land use application processing through a moratorium, both of which would require further Council action. Once some initial Council direction is provided and consultants are hired, staff will prepare a final work program including community engagement and outreach component.

Truckee General Plan Process 2018

TECHNICAL/ EIR



PLAN & POLICY



COMMUNITY ENGAGEMENT

