

Tahoe Living Housing and Community Revitalization Initiative

Phase 2 Updates

Innovative Solutions to
make housing more
affordable



Incline Village/Crystal Bay Citizen Advisory Board
May 1, 2023

Innovative Code Solutions





TRPA Zoning + Affordability Analysis

Final Analysis + Key Findings

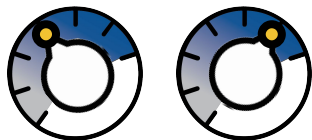


Alex Joyce
Managing Partner

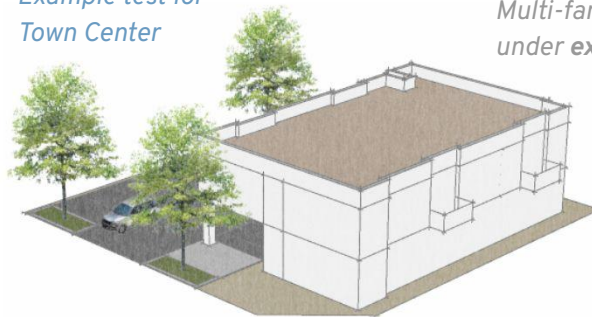
We have been studying the feasibility of multi-family development in the Tahoe Basin

Over two phases, Cascadia Partners has been conducting pro forma analyses of Tahoe's development standards for multi-family development on behalf of the Tahoe Regional Planning Agency (TRPA). Cascadia has been primarily testing changes to the following standards:

- Maximum Density
- Maximum Coverage
- Maximum Height
- Height Roof Pitch Requirement
- Minimum Setbacks
- Minimum Parking Ratio



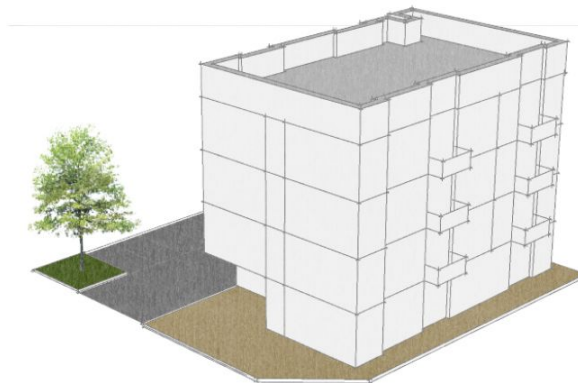
Example test for
Town Center



Multi-family development
under *existing code*

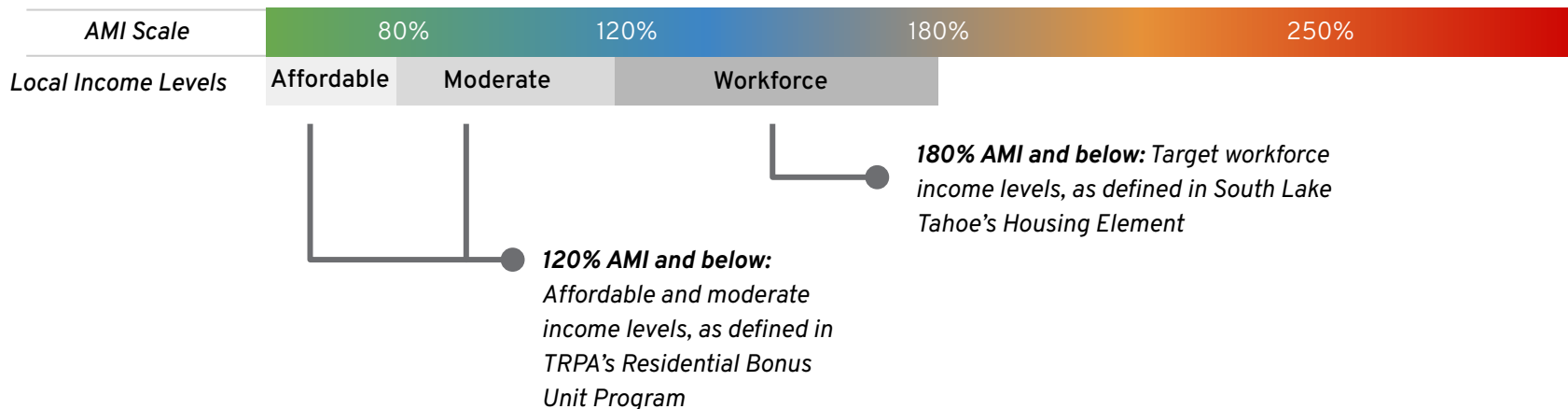


Multi-family development
under *alternative code*.



The goal of Phase 2 is to identify all major barriers to multi-family development and test the removal of those barriers and make it more financially feasible for developers to build workforce, moderate and/or affordable housing.

This analysis explores the code changes it takes to encourage more housing supply and make it feasible to build more affordable housing in the Tahoe Basin. Affordability of development is measured against the Area's Median Income (AMI) and compared against local definitions of housing affordable to workforce, moderate income and low income households.



Similar to Phase 1, this analysis looks at identifying barriers and testing alternatives to multifamily zoning code on standard lot sizes in two different contexts:



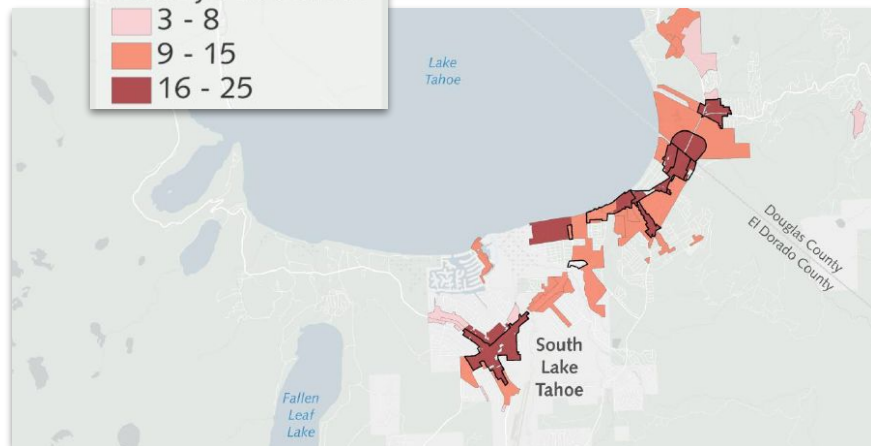
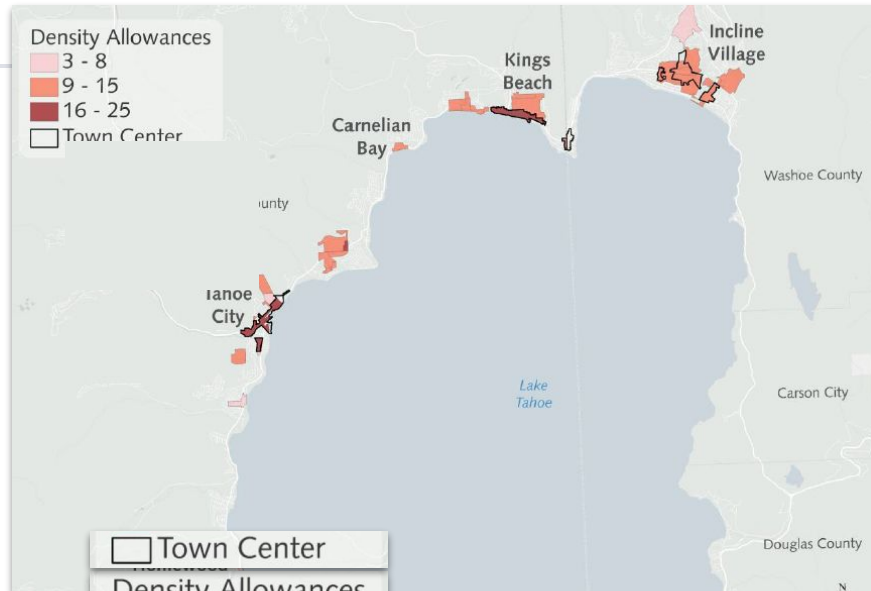
Within Town Centers

Less than 1% of total Tahoe Basin Area
Standard lot size is around 12,000 SF



Multi-Family Zones Adjacent to Town Centers

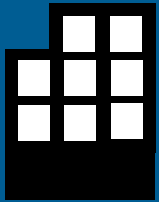
Less than 4% of the total Tahoe Basin Area
Standard lot sizes range from 5,000 SF to 8,000 SF



Buildable Parcels in Incline Village

- Incline Village Tourist: 147 parcels
- Incline Village Commercial: 241 parcels





Analysis Results Within Town Center

Existing Code

TRPA Code



Maximum Density	25 units / acre
Maximum Coverage	70%
Maximum Height	4 stories
Height Roof Pitch Requirement	No

Local Code

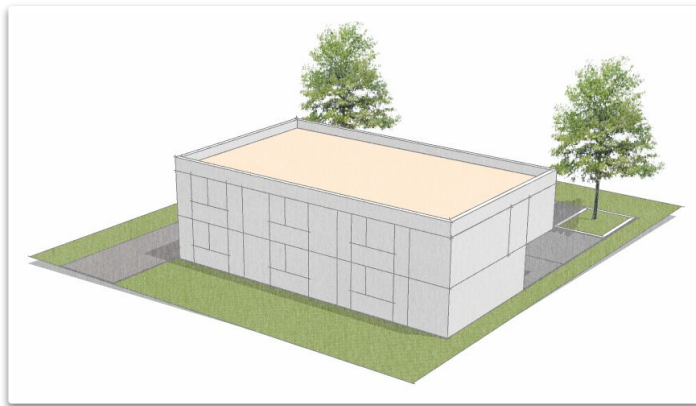


Minimum Parking Requirements	2.25 spaces per unit - 2 bed+ 1.25 space per unit - less than 2 bed
Minimum Setbacks	Front: 20 ft Rear: 15 ft Side: 10 ft

Barrier #1: Maximum density caps housing development to 6 units on a standard lot.

- 25 units / acre is the primary barrier to building higher density multi-family housing in Town Centers.

Ex. Model of 6 units on 12,000 SF lot



Example Development



6 units
1,100 SF units
2 stories
12 parking spaces

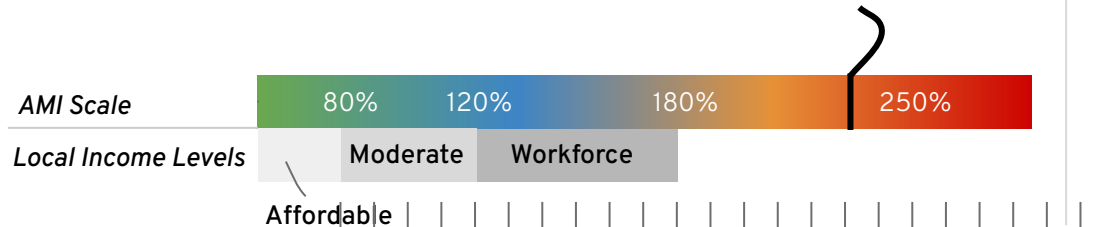
Test Alternatives:

[None]

As a result, developers build larger and more expensive units to meet target returns.

- Rents for 1,100 SF apartment units would need to be about \$5,700/month for this development to be viable.
- Those rents are only affordable to households making over \$235,000.

Feasible Rent: **\$5,700**
 Income Needed: **\$235,000**
 AMI Level: **230% AMI**



Example Development



6 units
 1,100 SF units
 2 stories
 12 parking spaces

Test Alternatives:

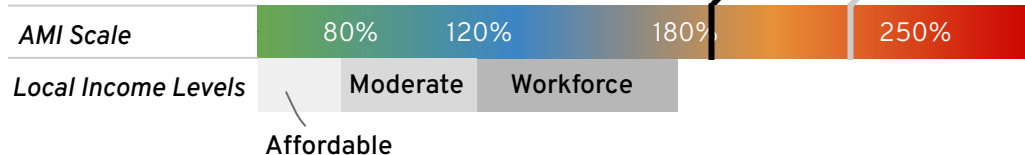
[None]

Changes to TRPA code standards can reduce feasible rents by about 35% but they are still not quite affordable to local workforce.

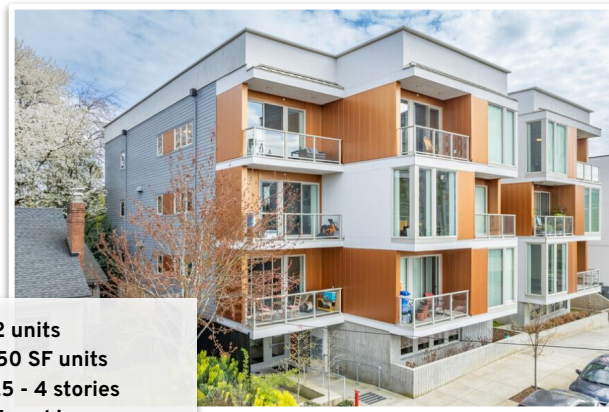
- By making changes to TRPA’s code, unit rents shifted from being affordable to a household making at least \$235,000 to a household making at least \$155,000.
- While this is an improvement, feasible rents are still short of serving housing affordable to the local workforce.

Feasible Rent: **\$3,700**
 Income Needed: **\$155,000**
 AMI Level: **190% AMI**

Existing Code
 230% AMI



Example Development



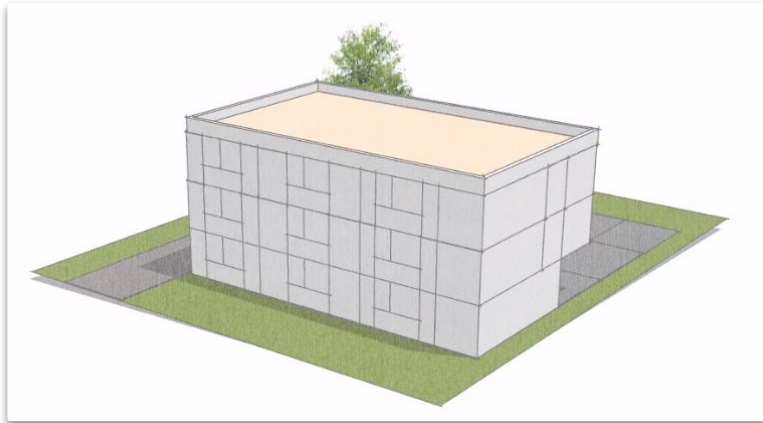
12 units
 750 SF units
 3.5 - 4 stories
 15 parking spaces

Test Alternatives:

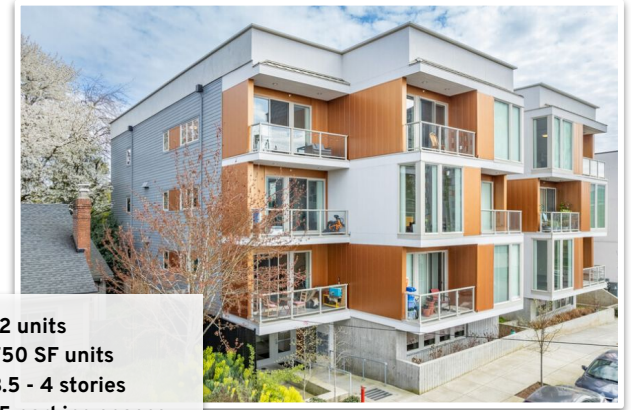
- ➡ Increase Maximum Density
- ➡ Maximum Height to 5 stories

Increasing density incrementally adds units and helps with affordability but other barriers exist.

Ex. Model of 12 units on 12,000 SF lot





Example Development



12 units
750 SF units
3.5 - 4 stories
15 parking spaces

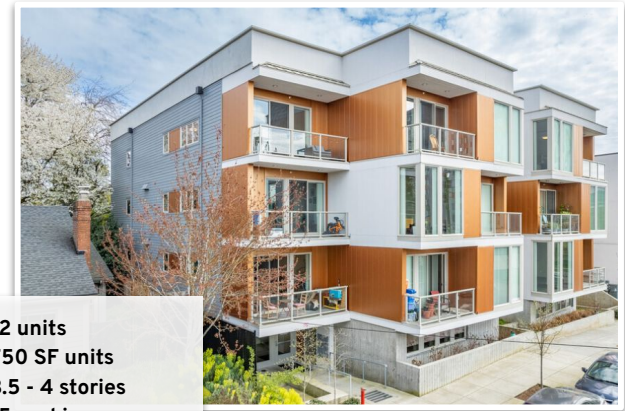
Test Alternatives:

-  Increase Maximum Density
-  Maximum Height to 5 stories

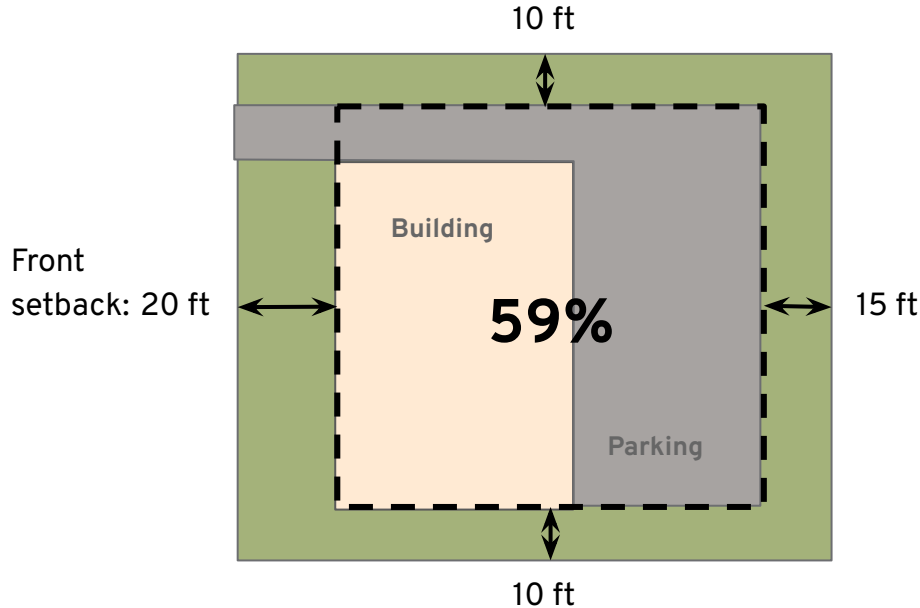
Barrier #2: Setbacks max out building area to 59% of the lot - even though zone allows 70% coverage



Example Development



12 units
750 SF units
3.5 - 4 stories
15 parking spaces

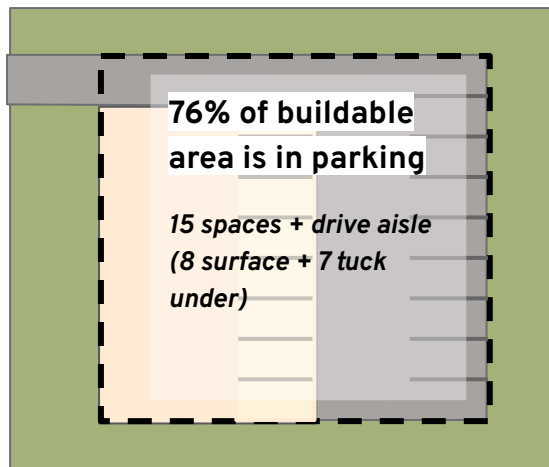


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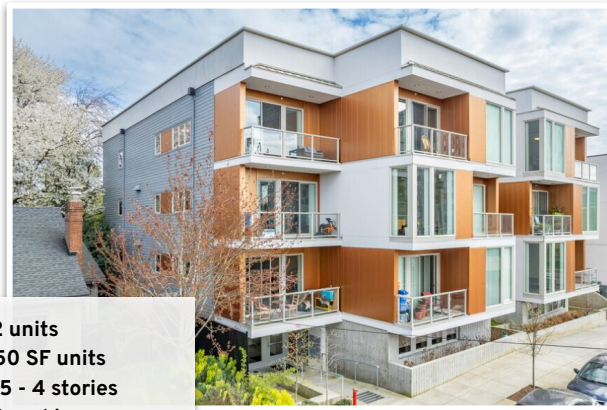
- ➡ Increase Maximum Density
- ➡ Maximum Height to 5 stories

Barrier #3: Minimum parking requirements limit the ability to build more affordable, smaller units on a site. Parking is a requirement, housing is not.

- Given the buildable area remaining, it is only possible to fit about 15 spaces next to a new building on the site.
- Existing parking ratio for 1 bedroom units is 1.25 spaces per unit. For 12 units, this equated to 15 parking spaces.



Example Development



12 units
750 SF units
3.5 - 4 stories
15 parking spaces

Test Alternatives:



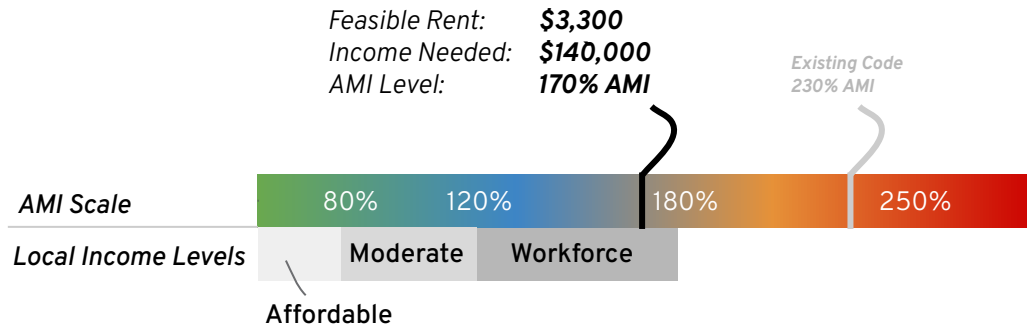
Increase Maximum Density



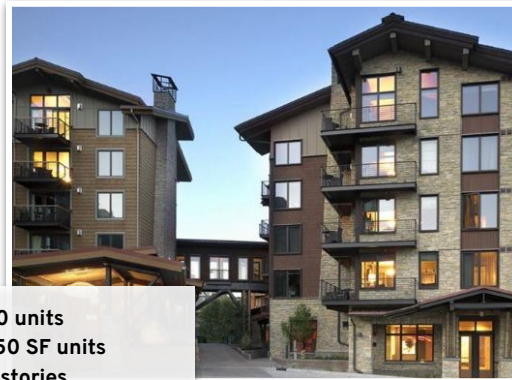
Maximum Height to 5 stories

Reducing parking minimums and optimizing 70% coverage by reducing setbacks can reduce feasible rents to a level affordable to local workforce.

- Parking ratios were reduced to 0.75 spaces per unit.
- These changes add 8 extra units to the site.



Example Development



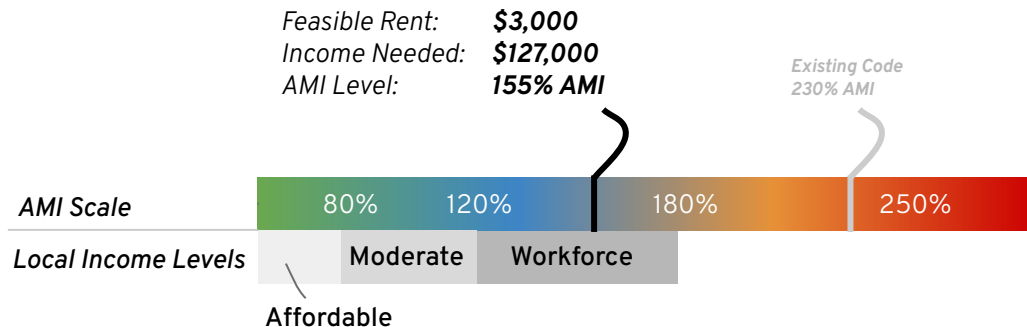
20 units
750 SF units
5 stories
15 parking spaces

Test Alternatives:

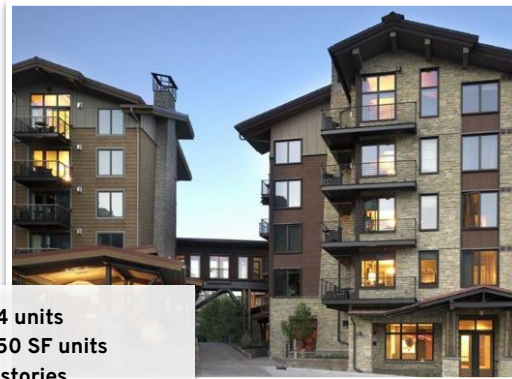
- ➡ Increase Maximum Density
- ➡ Maximum Height to 5 stories
- ➡ Parking Minimum to 0.75 spaces per unit
- ➡ Reduce Setbacks by 30%

Removing maximum coverage requirements by switching to an areawide stormwater treatment system lowers costs and rents even further.

- Feasible rents would reduce from \$3,300 to \$3,000 / month, a 9% reduction.
- The building form remains the same but the added coverage can fit in a couple more units and parking spaces.








+ Areawide Stormwater Treatment



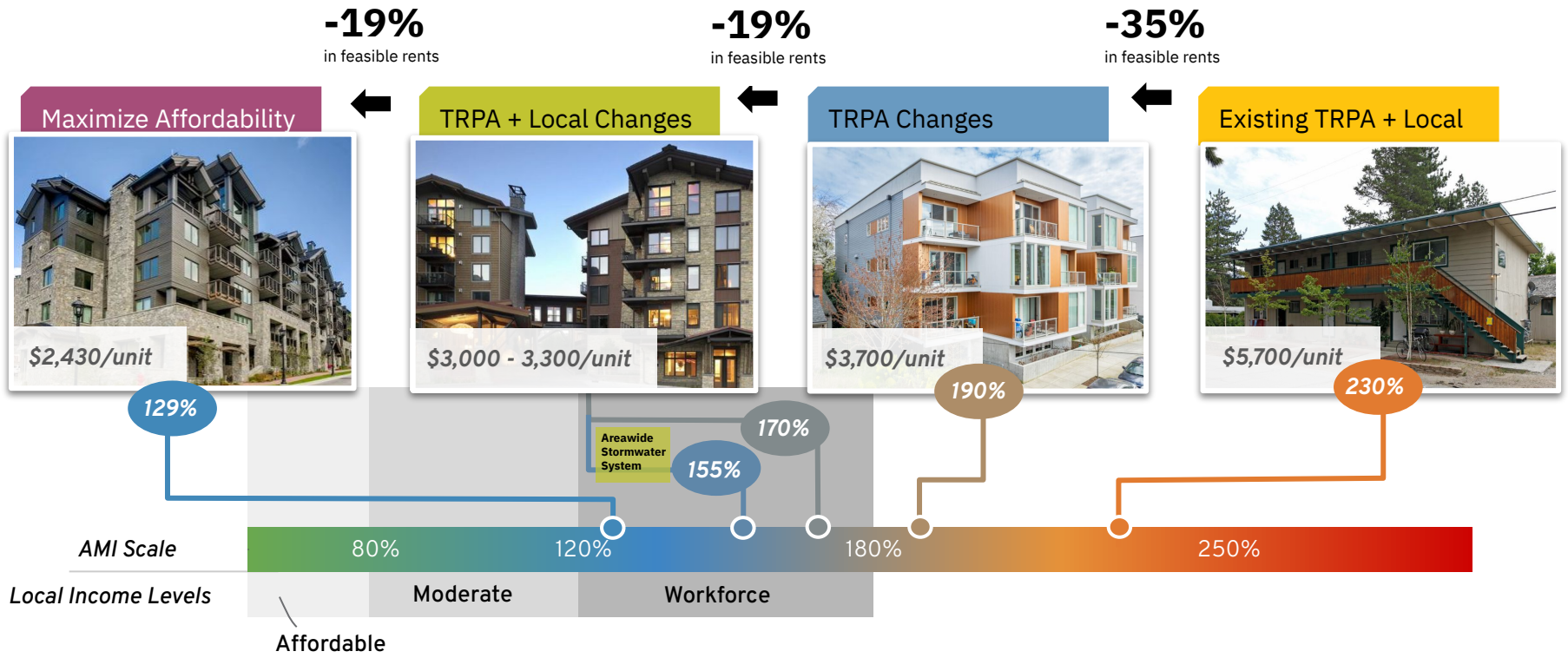
24 units
650 SF units
5 stories
18 parking spaces

Test Alternatives:

-  Increase Maximum Density
-  Maximum Height to 5 stories
-  Parking Minimum to 0.75 spaces per unit
-  Reduce Setbacks by 50%
-  Remove Maximum Coverage

-57% in feasible rent from existing TRPA + local code to maximize affordability

Summary of Findings: Housing Affordability



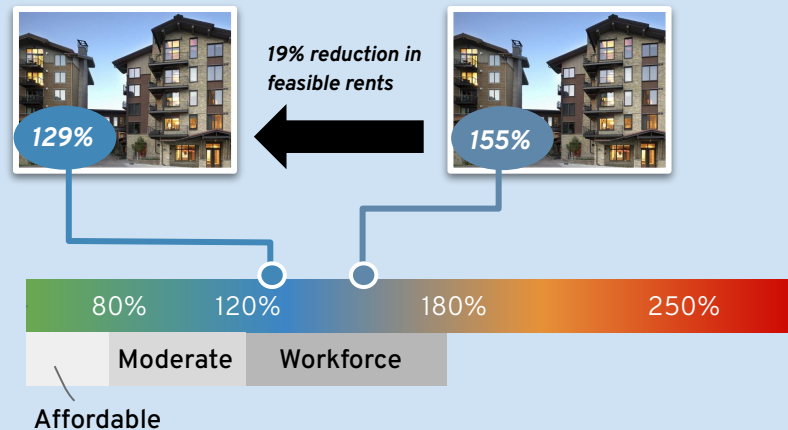
Zoning reforms can only do so much to create more deeply affordable units

Illustrated by ‘Maximize Affordability’ scenarios, code changes can only go so far to help make it feasible to produce units that are affordable to households making less than 120% AMI. Sometimes it requires some subsidy or cost reductions to feasibly produce units affordable at these levels.

List of some ways to offset the cost of development:

- **Cost reductions** (fees waivers or exemptions)
- **Direct investments** (subsidy)
- **Land banking** (land cost)
- **Construction technology changes** (modular)

Example: reduce construction costs by 25% with modular construction



TRPA Proposal for Land Use Code Changes



Coverage

- Use appropriate coverage ratios to support water quality and soil protection
- Encourage compact development close to centers



Coverage Proposal: Town Centers

Implement area-wide stormwater systems for
>70% coverage limits



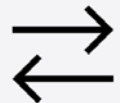
Deed-Restricted
Affordable/Achievable



Applies to parcels on high capability lands



Must demonstrate equal or greater effectiveness than
site-specific BMPs, with funding for ongoing maintenance



Exempt from coverage transfers



Coverage Proposal: Multi-Family Zones

Allow up to 70% coverage for multi-family housing



Deed-Restricted
Affordable/Achievable



Applies to parcels on high capability
lands



Runoff treated through BMPs or
regional area-wide treatment, both
require funding for ongoing
maintenance



Exempt from coverage transfers



Coverage: ADUs within Bonus Unit Boundary

ADUs within the bonus unit boundary can use the same incentives as the Bonus Unit Boundary proposal, but can be up to 1,200 sq ft



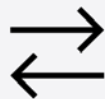
Deed-Restricted
Affordable/Achievable



Applies to parcels on high capability
lands



All runoff must be treated through
BMPs or regional area-wide treatment,
both require funding for ongoing
maintenance

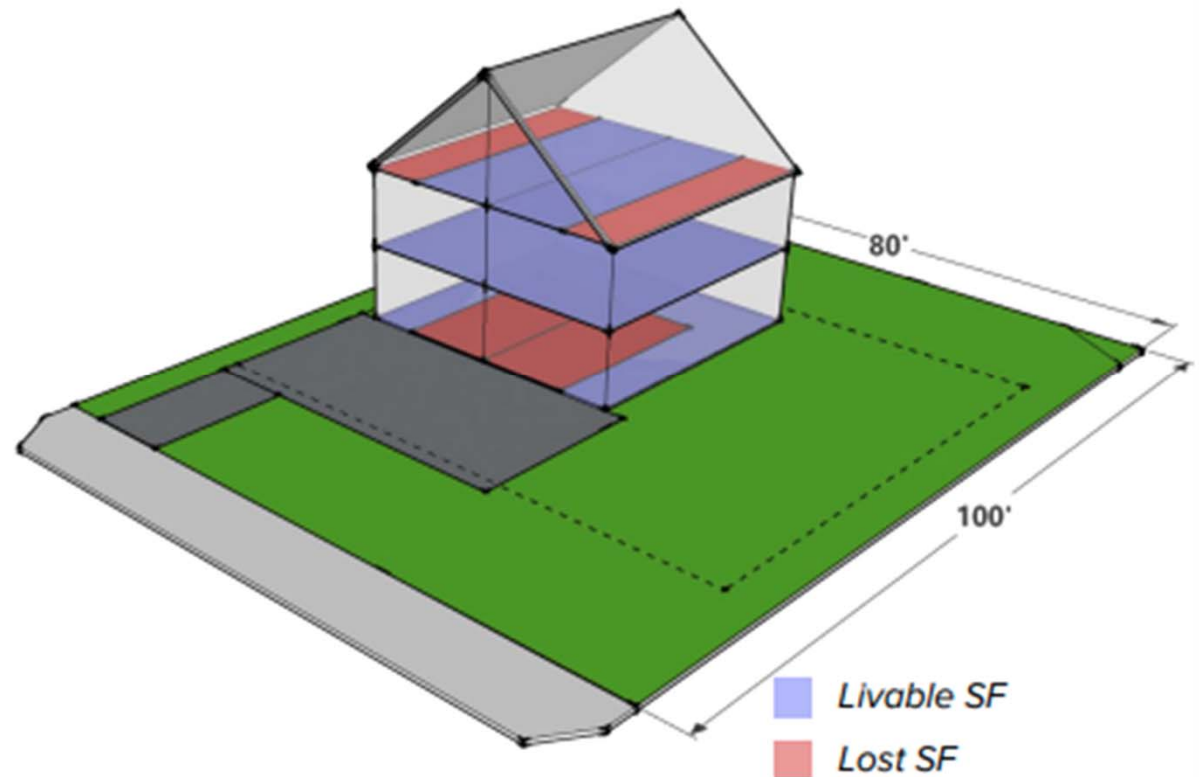


Exempt from coverage transfers



Building Height

- More flexible height standards needed for multi-family
- Maintain neighborhood character



Building Height Proposal: Town Centers

Allow five stories of height



Deed-Restricted
Affordable/Achievable



Must make applicable findings



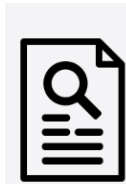
Building Height Proposal: Multi-Family Areas

Allow additional 15' or 48' feet total

- Update code section 37.5.5



Deed-Restricted
Affordable/Achievable



Must make applicable findings



Residential Density

- Allow densities that support transit and services and encourage walkable communities
- Local jurisdictions can put in place their own standards



Density Proposal: Town Centers

No density cap

- Encourages smaller units within same building envelope



Deed-Restricted
Affordable/Achievable



Market Rate



Density Proposal: Multi-Family Areas

Increased Density – 60 units per acre

- Allows parcels that are currently zoned for multi-family to feasibly build multi-family



Deed-Restricted Affordable/Achievable



Market Rate



Photo: Carl Scofield. Photo courtesy of Town of Breckenridge.

Achievable Housing



Achievable Definition: Approved April 2023

Must meet ONE of these criteria:

- Employed 30 hours or full-time equivalent for local employer; OR
- Moderate Income or below (<120% of AMI); OR
- Retired and has lived in deed-restricted unit for at least 7 years

Must be used as a primary residence

Cannot be used as second home or VHR

Annual compliance certification



Existing Deed Restrictions in Incline Village



Incline Village Deed-Restrictions

- 95 units
- 75% in compliance
- 100% - sent information letter
- 71 units – TRPA has requested documentation of compliance
- 24 units – initiating request for documentation

More information: <https://www.trpa.gov/applications-forms/deed-restrictions-for-affordable-housing/>

Thank you!

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kfink@trpa.gov
775-589-5258

Tahoe Living Working Group page:

<https://www.trpa.gov/tahoe-living-housing-and-community-revitalization-working-group-2/>