

Tahoe Livable Communities Program Update

This update explains the status of the California Tahoe Conservancy's (Conservancy) Tahoe Livable Communities (TLC) Program. The Conservancy launched the TLC Program in 2014 to implement the Sustainable Communities and Climate Protection Act of 2008 (State Senate Bill 375) and the Lake Tahoe Regional Plan (Regional Plan), which includes protecting the Lake's famed clarity and water quality. The goals of the TLC program are to:

1. Acquire and restore aging developed properties on environmentally sensitive lands, and retire or transfer the development rights to town centers;
2. Sell, lease, or exchange vacant Conservancy land in town centers; and
3. Acquire the remaining private properties in several of Lake Tahoe's roadless subdivisions to remove the threat of development.

The program achieved several notable outcomes in the last five years. The Conservancy has acquired ten developed or roadless subdivision properties, restored the environmentally sensitive portions of the developed properties, and banked the development rights for housing and other infill development projects in town centers. Staff has sold banked development rights for several sustainable communities projects. These include the new Tahoe City Lodge, and the remodeling of an aging, shuttered motel into a new housing development in Kings Beach. Additionally, the Board designated 17 of the Conservancy's parcels in town centers as "Asset Lands" to support housing and compact sustainable development that is consistent with local area or town center plans.

Program Status

Since the Conservancy's last Board meeting in June 2020, staff initiated and coordinated the following items for the TLC Program. With these ongoing efforts and accomplishments, the Conservancy is delivering on its Strategic Plan Goal 4 (Foster Basinwide Climate Change Adaptation and Sustainable Communities).

1. Conservancy Acquisitions and Land Bank

Property Acquisitions

The Conservancy has budgeted \$6.9 million over the next five years to advance program goals. The Board approved two acquisitions for El Dorado County Assessment Number (AN) 036-501-004 and Placer County AN

083-130-020 in March 2020 and El Dorado AN 032-050-055 in June 2020. There is no longer a willing seller for AN 036-501-004. Staff is completing negotiations on the other two parcels and expects to close escrow by fall 2020.

Staff has initiated due diligence activities on two additional developed parcels on sensitive lands in South Lake Tahoe. The Department of General Services (DGS) has approved the appraisals for these two parcels. Staff is negotiating with willing sellers, and performing due diligence. The DGS is reviewing the transaction for the acquisitions. For more information on the first developed parcel acquisition, at 2130 Lake Tahoe Boulevard; see Agenda Item 2f. Staff will prepare a recommendation for acquiring the second parcel depending on the outcome of due diligence activities.

Conservancy Land Bank

The Conservancy continues to bank and transfer development rights and land coverage for affordable housing, town center, and other infill projects in the City of South Lake Tahoe (City) and El Dorado and Placer Counties.

In particular, staff is coordinating a land bank transaction for a proposed achievable housing project in Placer County located at 3160 North Lake Boulevard, between Tahoe City and Kings Beach. The project developer needs additional land coverage to make the project viable. A Conservancy parcel abuts the project site. Staff is developing potential options for the project, including the sale or transfer of coverage associated with the Conservancy parcel.

2. Conservancy Asset Lands and Related Statewide and Local Initiatives

Overall Conservancy Asset Lands Status

In March 2014, the Conservancy Board identified 17 asset lands in three urbanized areas (the City, Kings Beach, and Meyers) that could support compact sustainable development that is consistent with the local area or town center plans. The Conservancy will consider selling parcels only when they are not needed to achieve Conservancy conservation or recreation goals, or when state ownership is no longer necessary to achieve the goals of the original acquisition. The Board authorized staff to conduct due diligence activities for six asset lands in the City (March 2014 and September 2016 authorizations), two asset lands in Kings Beach (June 2019 authorization), and nine asset lands in Meyers (August 2019 authorization). Over the next year, Conservancy staff may seek Board authorization to designate additional suitable Conservancy parcels as asset lands.

Since June 2020, Conservancy staff has coordinated the following items:

Asset Lands in the City (Attachment 2)

- **833 Emerald Bay Road, Assessment Number (AN) 023-171-009**
The Conservancy remains in discussions with Dinsmore Sierra, LLC, regarding potential development of housing on this site, and plans to meet with the City to discuss site design and permitting fees. Depending on the project design needs, the City may add its adjacent parcel to the project. While the City acquired the parcel with a Conservancy general fund grant for erosion control purposes, the parcel may be able to accommodate both erosion control and housing.
- **2070 Lake Tahoe Boulevard, ANs 023-381-001 and 023-231-003**
The Conservancy executed an updated exclusive negotiating agreement (ENA) in December 2019 with 2070 LTB, LLC for mixed-use development, including housing and commercial uses, on the site. The development entity held a pre-application meeting in February 2020 with the City and Tahoe Regional Planning Agency (TRPA) to review their revised site plan. In March 2020, the development entity submitted their design concept materials to Conservancy staff, as required in the ENA. Going forward, the development entity has indicated it will submit a project application to the City and TRPA, and complete the required environmental review.
- **1860 Lake Tahoe Boulevard (AN 032-291-028) and 1029 Tata Lane (AN 032-291-031)**
Governor Gavin Newsom's Executive Order N-06-19 requires the DGS and Department of Housing and Community Development (HCD) to identify and prioritize excess state-owned property, and aggressively pursue sustainable, innovative, cost-effective housing projects. As part of its implementation of the executive order, in September 2019 the DGS selected two Conservancy asset land parcels for housing projects at the South Tahoe "Y": 1860 Lake Tahoe Boulevard and 1029 Tata Lane. The Conservancy partnership with the DGS and HCD provides access to economic and architectural consultants, and expertise regarding alternative land transfer approaches such as a long-term ground lease. Conservancy staff meets weekly with the DGS, HCD, TRPA, the City, El Dorado County and the selected developers (Related California and St. Joseph Community Land Trust).

The DGS, with the Conservancy and HCD, distributed a request for qualifications in January 2020 to select a short list of developers to respond to a request for proposals (RFP). The DGS released the RFP to the short list of selected developers in March 2020. On April 23, 2020, the Conservancy, DGS, and HCD held a virtual community meeting to provide an informational update and answer questions. More than 60 people participated in the meeting.

In June 2020, developers presented proposals for mixed-use development, including affordable housing. Conservancy staff reviewed proposals as part of a selection committee that included the DGS and HCD. A technical advisory committee including the TRPA, City, and El Dorado County also reviewed proposals. In July 2020, the State selected Related California and St. Joseph Community Land Trust as the developers.

Most recently, the developers and partners have held five focus-group meetings for businesses, environmental groups, nonprofit and service organizations, and residents living within close proximity of the project area. The Conservancy and partners continue working with the developers to further engage the greater community, finalize the project design, and submit project and funding applications.

Asset Lands in the Kings Beach Area Plan (Attachment 3)

- **8608 North Lake Boulevard (AN 090-134-056) and 8644 Speckled Avenue (AN 090-094-022)**

In June 2019, the Board authorized staff to conduct due diligence activities on the Kings Beach asset lands. In April 2020, Conservancy staff entered into an ENA concerning 8608 North Lake Boulevard with Brockway North, LLC, an adjacent landowner. Brockway North, LLC (the project proponent) is pursuing a mixed-use project that includes an offsite workforce-housing component. The Conservancy signed the project proponent's pre-application in June. Placer County held a pre-application meeting in August with the project proponent. Conservancy staff expects the project proponent to submit the project application by October. Conservancy staff continues to discuss future options with Placer County concerning 8644 Speckled Avenue.

Asset Lands in the Meyers Area Plan (Attachment 4)

- **ANs: 034-331-015 (3131 U.S. Highway 50), 034-311-023 (3121 U.S. Highway 50), 034-300-025 (no address), 034-300-026 (no address), 034-300-027 (no address), 034-300-028 (no address), 035-261-004 (no address), 035-261-005 (961 Pomo Street), and 035-261-006 (945 Pomo Street)**

In August 2019, the Board authorized staff to conduct due diligence activities on the Meyers asset lands. Staff has received various inquiries from local and state government agencies, and met with El Dorado County in October 2019 and with the TRPA and Tahoe Resource Conservation District (Tahoe RCD) in November 2019 and June 2020. The TRPA and Tahoe RCD expressed interest in locating a boat inspection station on four of the parcels. The TRPA and Tahoe RCD continue to coordinate with El Dorado County and to work on preliminary site plans to determine the feasibility of such a station and other public benefits on the site, including potential workforce housing.

South Shore Housing Needs and Opportunities Assessment (Assessment) and Housing Action Plan (Action Plan)

The Conservancy is part of the Tahoe Housing Partnership and helping to implement the Assessment and Action Plan. The Tahoe Prosperity Center (TPC) released the Assessment in October 2019 and the Action Plan in March 2020. The Action Plan provides housing strategies, policies, and programs. The Conservancy is committed to the partnership framework described in the Action Plan, recognizing that no single entity can solve the south shore region's housing crisis. The Conservancy will work towards the overall goal of improving the quality, variety, and availability of dwellings that those who live and work in the region can afford to purchase or to rent.

The TPC will present on the Action Plan at today's meeting. More information on the Assessment, Action Plan, and related documents can be found on the TPC's website at <https://tahoeprosperity.org/housing-study/>.

List of Attachments

- Attachment 1 – City of South Lake Tahoe Asset Lands Map
- Attachment 2 – Kings Beach Asset Lands Map
- Attachment 3 – Meyers Asset Lands Map

Conservancy Staff Contact

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