

TAHOE LIVABLE COMMUNITIES PROGRAM UPDATE

Executive Summary: The California Tahoe Conservancy (Conservancy) launched the Tahoe Livable Communities (TLC) Program in 2014 to implement the Sustainable Communities and Climate Protection Act of 2008 (Senate Bill 375) and the Lake Tahoe Regional Plan (Regional Plan), which includes protecting the Lake’s famed clarity and water quality. The TLC program focuses on a multi-faceted approach to implement state and regional goals. This includes acquiring aging developed properties on environmentally sensitive lands and restoring these areas, with the goal of retiring or transferring the development rights to town centers. In addition, the Conservancy prioritizes the acquisition of environmentally sensitive lands to protect the natural environment, preserve wildlife habitats, and provide public access or recreational facilities.

To further support sustainable development, the Conservancy sells or exchanges its asset lands in town centers, facilitating housing, multi-modal transportation, and economic growth. The Conservancy also engages in the exchange of lands, development rights, and coverage with various jurisdictions to promote management efficiencies and support community development. Operating the Land Bank is another key component, where the Conservancy mitigates excess coverage and offers acquired coverage and development rights for public purchase.

The program achieved several notable outcomes in the last few years. The Conservancy most recently acquired the Knox Johnson and Motel 6 parcel in March 2024, and is preparing to demolish the structures and stabilize the site. The 31-acre land purchase protects critical wetland and meadow habitat while presenting opportunities to improve climate resilience and public access.

In 2014, the Board designated 17 of the Conservancy’s parcels in town centers as “asset lands” to support housing and compact sustainable development to help implement local area or town center plans. Two of these asset land parcels house the Sugar Pine Village, the largest affordable housing project in the Lake Tahoe Basin (Basin). Construction continues on the project, which will ultimately provide 248 affordable housing units upon completion of all phases.

Finally, the Conservancy is processing two exchanges; one with the City of South Lake Tahoe (City), and one with the Tahoe City Public Utility District (TCPUD). The Conservancy exchange with the City involves development rights, coverage, and land exchanges. These efforts aim to consolidate property ownership, improve land management efficiencies, and provide public benefits. The Conservancy and TCPUD are

finalizing a land exchange to consolidate property ownership and allow for development of a new cross-country ski lodge.

Overview

History: The California Legislature established the Conservancy in 1984 to restore and enhance Lake Tahoe's natural and recreational resources. The Conservancy's early focus on acquiring environmentally sensitive lands helped to protect the natural environment, preserve wildlife habitats, and provide public access or recreational facilities.

The 1987 Regional Plan introduced stringent environmental standards and growth management measures, including a development rights system created by the Tahoe Regional Planning Agency (TRPA), to cap development and align growth with environmental capacity.

To manage development rights acquired through the purchase of parcels, the Conservancy entered into a memorandum of understanding with the TRPA to allow the Conservancy to operate a Land Bank to mitigate excess coverage and facilitate the sale of development rights within the California side of the Basin.

Development rights are land use units that TRPA permit applicants must acquire before developing or redeveloping a property. Development rights include tourist accommodation units, single and multi-family residential units of use, and commercial floor area. In 2012, the updated Regional Plan introduced several key incentives to encourage redevelopment and the transfer of development rights to more appropriate areas. Projects that remove development from sensitive areas and relocate it to town centers or other suitable locations can receive development right bonus units or multipliers.

In addition to the development rights system, the TRPA regulates the amount of coverage in the Basin. Land coverage refers to any covering over the natural surface of the ground that prevents water from percolating into the ground, reducing the natural filtering function of the soil and the uptake of nutrients by vegetation. Coverage reduction is another key concept in the 2012 Regional Plan objectives because land coverage increases the volume and velocity of runoff, accelerating erosion and the transport of sediment to Lake Tahoe. For additional details on the history of the Regional Plan and the definitions of development rights and coverage please see [the TRPA website](https://www.trpa.gov/): <https://www.trpa.gov/>.

Over the years, the Conservancy's programs broadened to address changing environmental priorities, including sustainable community strategies. The introduction of the TLC Program in 2014 focused existing Conservancy land acquisitions and land banking to implement these new issues and policies.

Program Status

Since the Conservancy's TLC Program update at the June 2021 Board meeting, staff initiated and coordinated the following items for the Program. With these ongoing efforts and accomplishments, the Conservancy is delivering on its Strategic Plan Focus Area: Restoration, with the Goal to Restore the Basin's Social and Ecological Resilience by supporting community resilience and regional priorities.

Supervisor: In May 2024, the Conservancy hired a new supervisor for the TLC Program.

Property Acquisitions and Exchanges: Since 2021, the Board approved a total of four acquisitions including: the high-priority Knox Johnson and Motel 6 acquisition, a roadless subdivision parcel in Placer County, one developed parcel on sensitive land in the City of South Lake Tahoe, and a sensitive parcel located in El Dorado County.

The Conservancy budgeted \$8 million to continue property acquisitions through fiscal year 2025/26. Staff is actively working on two environmentally sensitive land acquisitions and analyzing several other opportunities. If staff determines there are willing sellers at appraised fair market value, staff will bring the proposed acquisitions to the Board for authorization at a future meeting.

Staff is completing land exchanges with the City and TCPUD to achieve greater management efficiency and public benefits. Staff expects these exchanges to be complete between fall 2024 and spring 2025.

The land exchange with the City results in the City acquiring approximately 7.3 acres, consisting of public lakefront recreation land next to the City's El Dorado beach and parcels with City storm water facilities. The Conservancy will acquire 180 acres of environmentally sensitive land along Trout and Cold Creeks and next to the Upper Truckee Marsh. The exchange should be complete by winter or spring 2025.

The land exchange with the TCPUD results in the TCPUD acquiring approximately 18 acres of mostly non-environmentally sensitive land, near the Tahoe Cedars and Highlands neighborhoods. The Conservancy will acquire approximately 107 acres of environmentally sensitive land adjacent to other Conservancy property near Quail Lake in Homewood. The exchange should occur by fall 2024.

Conservancy Land Bank: The Land Bank’s development rights and coverage come from acquisitions, such as the recent Knox Johnson and Motel 6 property. With future restoration of the Knox Johnson and Motel 6 site, the Land Bank will receive development rights that can qualify for the TRPA’s transfer “multiplier” if moved to support town center infill projects. Conservancy staff will continue to coordinate with the TRPA and local jurisdictions on potential uses for the properties’ development rights and coverage.

In addition, staff is coordinating a possible land bank transaction for a potential achievable housing project in Placer County, located at 3160 North Lake Boulevard, between Tahoe City and Kings Beach. The proposed achievable housing project will provide permanent workforce housing, but the developer needs additional land coverage to make the project viable. A Conservancy parcel abuts the project site. Staff is evaluating a permanent deed restriction on the Conservancy parcel and the sale of coverage to assist the project.

Conservancy Asset Lands: 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). Conservancy staff developed project requirements for each asset land. The project requirements address how potential redevelopment could meet the goals of the community identified in the relevant local area plans, including potential housing and commercial development, active transportation facilities, and protecting environmental resources.

Asset Lands in the City (Attachment 1)

- **1860 Lake Tahoe Boulevard (Assessment Number (AN) 032-291-028) and 1029 Tata Lane (AN 032-291-031)**
In January 2021, the TRPA approved the Sugar Pine Village (SPV) Project, the largest affordable housing project in the history of the Basin (248 units). SPV is on former asset land parcels provided by the Conservancy, fulfilling Governor Gavin Newsom’s Executive Order N-06-19 that required the California Department of General Services and the California Department of Housing and Community Development to identify and prioritize excess state-owned property, and pursue sustainable, innovative, and cost-effective housing projects. The developers for the SPV Project, Related California and St. Joseph Community Land Trust, have obtained most of the financing needed to complete the project and have completed Phase 1A and are in progress of building Phase 2A of the Project.
- **833 Emerald Bay Road (AN 023-171-009)**
During summer 2024, the Conservancy and Dinsmore Sierra, LLC amicably ended discussions regarding potential development of tiny housing on this site. Dinsmore Sierra, LLC has changed their geographic focus and number of

projects due to internal capacity issues. The Conservancy expects to send out a new request for proposals during winter 2025.

- **2070 Lake Tahoe Boulevard (ANs 023-381-001 and 023-231-003)**
The Conservancy updated an exclusive negotiating agreement with 2070 LTB, LLC, expiring in June 2025, for a deed-restricted workforce housing development project. The developer redesigned the project based on amendments to the TRPA Code of Ordinances that allow for increased coverage and height for deed-restricted housing in town centers. On June 6, 2024, 2070 LTB, LLC conducted a community meeting to gather public input about the site design. The initial site design includes approximately 90 deed-restricted workforce housing units. The site also provides connectivity for people walking, biking, and rolling to an adjacent commercial site, a public gathering space, and the City's shared-use trail and Tahoe Valley Greenbelt project. The developer is now applying for the necessary permits and conducting environmental review, and staff expects 2070 LTB, LLC to receive project approvals from the City in 2025.
- **981 Tata Lane (AN 023-481-017)**
Conservancy staff continues to discuss future options for 981 Tata Lane.

Asset Lands in the Kings Beach Area Plan (Attachment 2)

- **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 exclusive negotiating agreement concerning 8608 North Lake Boulevard with Brockway North, LLC, an adjacent landowner. Brockway North, LLC is planning a mixed-use development project that aligns with the Conservancy project requirements, including a public plaza adjacent to Kings Beach State Recreation Area, offsite workforce-housing, and other public amenities that support the goals of the Area Plan. Conservancy staff anticipates that Brockway North, LLC will obtain approvals from the Placer County and TRPA boards by winter or spring 2025. The current project timeline anticipates a Conservancy Board action in June 2025 to consider approving of the sale of 8608 North Lake Boulevard.

Conservancy staff continues to discuss future options with Placer County concerning 8644 Speckled Avenue.

Asset Lands in the Meyers Area Plan (Attachment 3)

- **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 begin pre-sale activities on the Meyers asset lands. Since then, the Conservancy has engaged in discussions with El Dorado County, the TRPA, and Tahoe Resource Conservation District on potential use of several parcels for an aquatic invasive species (AIS) boat inspection station with workforce housing. El Dorado County has taken the lead on site investigations and, along with the TRPA, conducted door-to-door outreach to neighbors near the project site in August 2024. In addition, the County's contractor, NCE, initiated site investigations and technical studies, which are still ongoing. As the lead agency, El Dorado County plans additional community engagement in fall and winter 2024 to gather feedback and incorporate it into the project.

Conservancy and El Dorado County staff are exploring a potential land exchange to transfer some of the Conservancy's asset lands in Meyers to the County to support the AIS boat inspection station.

Local Initiatives: Conservancy staff participates in the TRPA's Tahoe Living: Housing and Community Revitalization Working Group (Working Group). The Working Group supports the South Shore Housing Action Plan and the Mountain Housing Council Regional Action Plan, which covers the north shore. The Working Group recommended priority actions, including code changes for accessory dwelling units, density, and incentives for deed-restricted affordable and workforce housing in town centers and areas zoned for multi-family housing. These incentives include increased density allowances, flexibility in height and setback requirements, reduced parking standards, and a streamlined permitting process to facilitate the development of affordable housing. Following two years of work with the Working Group, partners, and the public, the TRPA passed the recommended priority actions in 2023 to make deed-restricted, multi-family projects more financially viable.

The Working Group plans to meet in September 2024 to begin discussion on additional housing amendments. As part of this next phase, the TRPA has also launched the "Cultivating Community, Conserving the Basin" initiative as part of its affordable and workforce housing program. Beginning in September 2024, the TRPA will hold community workshops on both the south and north shores. These workshops aim to engage residents, workers, and stakeholders to seek input on housing issues and educate community members about the initiative.

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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