WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: July 15, 2025

DATE: June 13, 2025

TO: Board of County Commissioners

FROM: Kat Oakley, Senior Planner, Community Services Dept., (775) 328-3628, koakley@washoecounty.gov

THROUGH: Kelly Mullin, AICP, Division Director, Planning & Building Division, Community Services Department, 328.3619, kmullin@washoecounty.gov

SUBJECT: Recommendation to introduce and conduct a first reading of an ordinance amending the Washoe County Code at Chapter 110 (Development Code) to update Articles 220 Tahoe Area and 220.1 Tahoe Area Design Standards. These updates include adding a section to establish standards for affordable, moderate, and achievable housing in multifamily areas. These updates also include amending various sections to: amend references to the prior Washoe County master plan and update organizational names; clarify application requirements for amendments to Articles 220 and 220.1; update references to the TRPA's code of ordinances related to land coverage; update maximum height and minimum residential density in town centers; add standards for height, parking, density and coverage for affordable, moderate, and achievable housing in town centers; update standards for bicycle storage; provide for reductions in parking minimums for affordable, moderate, and achievable housing, and add standards for the submittal and review of the required parking analysis; modify minimum lot width and setbacks for residential and mixed use developments in preferred affordable areas; modify requirements for encroachment into front yard setbacks on corner and sloped lots; modify standards for accessory dwelling units; modify standards for temporary uses; require development within avalanche hazard areas to record a hold harmless agreement; modify explanation of use tables to clarify the meaning of "A" and add administrative review permit; modify permitting requirements for multiple family dwellings in Crystal Bay Tourist, Incline Village Tourist, and Incline Village Commercial; add Schools—Kindergarten through Secondary Schools as a special use in Incline Village Tourist; add multiple family dwellings and employee housing as allowed uses and update special policies in the Ponderosa Ranch regulatory zone; allow single family dwellings by right in the Incline Village 5, Crystal Bay, and East Shore regulatory zones, and require a hold harmless agreement for development in the Incline Village 5 and Crystal Bay regulatory zones; and update special policies for Crystal Bay; and all matters necessarily connected therewith and

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pertaining thereto. And if supported, set a public hearing for the second reading and possible adoption of the ordinance for August 26, 2025. (Commission District 1.) FOR POSSIBLE ACTION

SUMMARY

This item is part of an update to the Tahoe Area Plan (Washoe County's Master Plan for Washoe-Tahoe) and an update to Washoe County Code provisions related to the Tahoe Area. While the Tahoe Area Plan (TAP) update includes both master plan and development code components, this item includes only the introduction and first reading of the development code amendments. The associated master plan amendment will be brought to the Board at the same meeting as the second reading and possible adoption of the development code amendment.

The Board is asked to introduce and conduct a first reading of an ordinance amending Washoe County Code Chapter 110, Articles 220 Tahoe Area and 220.1 Tahoe Area Design Standards (development code amendment), in order to create incentives for deed-restricted affordable, moderate, and achievable housing; allow deed-restricted affordable, moderate, and achievable multifamily housing in the Ponderosa Ranch regulatory zone; change permitting requirements for multifamily housing in the Crystal Bay Tourist, Incline Village Tourist, and Incline Village Commercial regulatory zones; modify lot width and setbacks in preferred affordable areas; modify regulations for accessory dwelling units; identify which regulatory zones can receive transferred development rights; apply TRPA Code of Ordinances Community Plan code to Ponderosa Ranch; update permitting requirements for single-family homes in regulatory zones with certain natural hazards; update permitting requirements for development in the front yard of sloped and corner lots; update standards for bicycle parking and storage; update requirements for temporary uses; allow Schools—Kindergarten through Secondary Schools in Incline Village Tourist regulatory zone; update application requirements for development code amendments to Articles 220 and 220.1; modify minimum density requirements in town centers; add standards for the submittal and review of parking analyses; add administrative review permit to the use tables; fix various errors; and update references to various plans and organizations.

The proposed amendments are described in detail beginning on page 5 of this staff report. Additional information and analysis can be found in Attachment C, Planning Commission staff report.

Washoe County Strategic Objective supported by this item:
Vulnerable Populations: Expand appropriate housing options across our community.

PREVIOUS ACTION

June 3, 2025. The Washoe County Planning Commission (PC) reviewed proposed amendments to Washoe County Code Chapter 110 (Development Code), Articles 220 and 220.1. In conjunction with proposed development code amendments, the PC also reviewed a proposed master plan amendment, and a proposed regulatory zone amendment. The PC voted unanimously to recommend approval of Development Code Amendment WDCA25-0003 to the Board, to adopt Master Plan Amendment WMPA25-

0001, and to recommend adoption of Regulatory Zone Amendment WRZA25-0001 to the Board. With regard to WDCA25-0003 (which is the subject of this request), the Planning Commission made all of the four possible findings:

Development Code Amendment Findings (one must be made)

1. Consistency with Master Plan. The proposed development code amendment is in substantial compliance with the policies and action programs of the Washoe County Master Plan;
2. Promotes the Purpose of the Development Code. The proposed development code amendment will not adversely impact the public health, safety or welfare, and will promote the original purposes for the Development Code as expressed in Article 918, Adoption of Development Code;
3. Response to Changed Conditions. The proposed development code amendment responds to changed conditions or further studies that have occurred since the Development Code was adopted by the Board of County Commissioners, and the requested amendment allow for a more desirable utilization of land within the regulatory zones; and
4. No Adverse Affects. The proposed development code amendment will not adversely affect the implementation of the policies and action programs of the Conservation Element or the Population Element of the Washoe County Master Plan.

December 10, 2024. The Washoe County Board of County Commissioners ("BCC" or "Board") prioritized long-range planning items for the Planning Program. Updating the Tahoe Area Plan was designated priority item #3 and would be completed through the adoption of these amendments.

January 26, 2024. The BCC adopted an amendment to the Tahoe Area Plan adding "Schools – Kindergarten through Secondary" as a permitted use, with a special use permit, on parcels three acres or larger in the Wood Creek Regulatory Zone.

December 16, 2022. The BCC adopted an amendment to the Tahoe Area Plan adding single family dwellings as an allowed use in Incline Village Commercial Regulatory Zone Special Area 1, when part of a mixed-use development or when they are affordable housing units.

January 26, 2021. The Board of County Commissioners ("BCC") adopted a comprehensive package of amendments that amended the Washoe County Master Plan, Tahoe Area Plan (WMPA19-0007) and Tahoe Area Regulatory Zone Map (WRZA19-0007) and Development Code Amendments (WDCA19-0007) replacing Article 220 Tahoe Area Plan modifiers with two new articles, Article 220 Tahoe Area and Article 220.1 Tahoe Area Design Standards.

BACKGROUND

On December 10, 2024, the Washoe County Board of County Commissioners (BCC) prioritized seven master plan implementation items, which included an update to the Tahoe Area Plan (TAP). The TAP is the Washoe County Master Plan specific to the portion of Washoe County within the Tahoe Basin and under the jurisdiction of the Tahoe Regional Planning Agency (TRPA). Due to the unique regulatory circumstances under TRPA—which was created through a bi-state compact between Nevada and California in

1969 to protect the environment of the lake and to regulate land use—the TAP (as adopted by TRPA) contains master plan policies, regulatory zone maps for the area, and Articles 220 and 220.1 of the Washoe County Development Code. TRPA is the land use authority in the Tahoe Basin, but Washoe County retains some authority and has some authority delegated by TRPA. Zoning regulations in Washoe Tahoe are adopted both in the TAP and in Articles 220 and 220.1 of the Washoe County Development Code (e.g. the "Tahoe Modifiers").

In December of 2024, the Washoe County Planning Program started public outreach for the 2025 Tahoe Area Plan Update (TAP Update). The TAP Update includes changes in many different topic areas, including changes to conform with updated TRPA requirements and changes to make proactive improvements to the Tahoe Area Modifiers of the Washoe County Development Code (WCDC). In December of 2023, the TRPA Governing Board adopted the TRPA Phase 2 Housing Amendments, which created incentives for affordable, moderate, and achievable housing in town centers and multifamily areas. The incentives relate to maximum density, building height, land coverage, and minimum parking requirements. An important component of the TAP Update is conforming to these requirements. The proposed 2025 TAP update includes changes to both the development code and master plan aspects of the TAP. However, only changes to the development code are included in this item, as changes to the master plan will be considered concurrently with the second reading and potential adoption of the proposed development code amendments.

Each piece of the associated amendments is addressed in turn.

PROPOSED AMENDMENTS

TRPA Phase 2 Housing Amendments

The TRPA Phase 2 Housing Amendments created several development standard incentives in town centers and multifamily areas to incentivize deed-restricted affordable, moderate, and achievable housing. Affordable housing is for those with a household income under 80% of the area median income (AMI). Moderate housing is for those with a household income under 120% of the AMI. Achievable housing is for those in the previous two categories, those with at least one household member working at least 30 hours per week for an employer in the Tahoe Basin whose physical presence is required in the Tahoe Basin, or a retired person who has lived in the Tahoe Basin for more than seven years. The overarching goal is to increase housing affordability in the Tahoe Basin.

TRPA requires all local jurisdictions to either "opt in" and adopt the amendments, or to propose an alternative and demonstrate that the alternative will provide equal or greater financial benefits to the development of achievable housing. During the first period of public outreach, some citizens of Incline Village/Crystal Bay expressed broad opposition to the TRPA Phase 2 Housing Amendments. Based on public feedback, Washoe County explored whether an alternative proposal would be feasible, proposing modifications to some aspects of TRPA's Phase 2 Housing Amendments. On April 23, 2025, Washoe County staff received feedback from TRPA staff on the proposal (attached as Exhibit F to Attachment C). TRPA staff indicated that while the proposed alternatives would add new

potential area for deed-restricted development, it would not "create a financial incentive that would offset the cost of increased building height and reduced parking standards that the Phase 2 amendments offer." They stated that for this reason they would not support the alternate proposal. Since TRPA's Governing Board must approve any alternative to the Phase 2 amendments, staff now proposes "opting in" and adopting all TRPA Phase 2 Housing Amendments. This includes the following incentives:

- Incentives for 100% achievable deed restricted housing in town centers:
  - Up to 100% coverage, with an area-wide stormwater treatment system, should one be established.
  - No maximum residential density.
  - Allow parking below residential parking minimums when a parking analysis demonstrates how alternative strategies will meet parking demand.
  - An additional 9 feet of building height.
- Incentives for 100% achievable deed restricted housing outside of town centers:
  - Up to 70% coverage, with an area-wide stormwater treatment system, should one be established.
  - Allow parking below residential parking minimums when a parking analysis demonstrates how alternative strategies will meet parking demand, with no less than 0.75 spaces provided per dwelling unit.
  - No maximum residential density.
  - Allow additional height for buildings with a shallower roof pitch.

These amendments are mandated by TRPA and must be adopted in order to conform to the Regional Plan. However, in order to be responsive to concerns regarding parking reductions and current parking limitations in Incline Village/Crystal Bay, staff has also developed standards for the submittal and consideration of parking analyses used to request reduced parking. This will help ensure consistent review of parking analyses and transparency in submittal expectations.

Changes to Support Housing Affordability

During all public outreach, the need for workforce and affordable housing was a recurring theme. As in other parts of Washoe County, Incline Village/Crystal Bay is experiencing a housing affordability crisis that is heightened by the general high cost of land and development constraints in the Tahoe Basin. The Washoe Tahoe Local Employee Housing Needs and Opportunities study—published by the Tahoe Prosperity Center in 2021—found that the annual income needed to afford a median priced single-family home in Washoe Tahoe was $353,659. The annual income to afford a condominium was $157,622. In contrast, the average annual wage in Washoe County was $57,199 and the median family income was $83,800, far short of what is needed to afford a condominium. Housing costs have increased since 2021. To increase housing affordability in Washoe Tahoe, the follow amendments are proposed:

- Allow 100% affordable, moderate, or achievable deed-restricted housing in the Ponderosa Ranch regulatory zone. This opens up an opportunity for workforce

housing in a location where developers have expressed interest and which is close to transit routes and within walking distance of major employment centers like the Hyatt.

- Allow multifamily housing through the administrative review (AR) application process in Incline Village Commercial, Incline Village Tourist, and Crystal Bay Tourist, and allow multifamily developments of four units or less by right in the same regulatory zones. This provides an easier permitting process for desired types of housing.
- Align residential and commercial setbacks in mixed-use development and reduce minimum lot width to 40' in preferred affordable areas for residential and mixed-use development. This will allow flexible site design for desired types of development.

Accessory Dwelling Units

Accessory dwelling units (ADUs) are secondary, subordinate dwellings on the same parcel as a main dwelling and can provide additional housing that is compatible in scale with single family development. They also provide flexibility for multigenerational living arrangements and opportunities for those who wish to downsize without leaving their neighborhood. In Washoe Tahoe, ADUs are prohibited from being used as short-term rentals. Currently, ADUs in Washoe Tahoe are only allowed on parcels an acre or larger.

Expanding allowances for ADUs offers a way to expand housing opportunities on the limited developable land available in Washoe Tahoe. However, ADUs also add residential units to neighborhoods with existing infrastructure that may not conform with current requirements. Washoe County staff met with representatives from infrastructure and service providers such as the North Lake Tahoe Fire Protection District (NLTFPD) and the Incline Village General Improvement District (IVGID) to discuss potential impacts of ADUs. NLTFPD indicated that ADUs could have impacts on non-conforming infrastructure, as does the development of single-family homes on currently undeveloped lots in the same areas. IVGID indicated that while extremely high rates of ADU development may have impacts, development at and even above the rate that's been seen in the California portion of the Tahoe Basin (12 ADUs built from 2021-2024) could be absorbed by existing IVGID infrastructure and plans.

The proposed changes to ADU regulations, summarized below, aim to expand housing opportunities in a manner that will not have significant infrastructure and service impacts. These changes limit the size of ADUs and require a discretionary review process in which site-specific limitations can be taken into account and relevant agencies consulted. Furthermore, in the four years since ADUs were allowed more broadly in the California portion of the Tahoe Basin, only 12 have been built, a rate which suggests limited infrastructure impacts. All ADUs require a residential allocation and are subject to the overall growth cap in the Tahoe Basin. That is to say, expansions of allowances to ADUs will not increase the overall number of units that can be developed in Washoe Tahoe. The proposed changes are:

- Allow ADUs up to 1,200 square feet in size on parcels smaller than 1 acre.
- Remove the minimum lot size of 1 acre.

- Allow detached ADUs under 500 square feet and under 12' tall to be located as close as 5 feet from the side and rear property lines.
- Continue to require an administrative review for all ADUs and to require the addition of 1 off-street parking space.

As shown in *Figure 1*, the current minimum lot size of 1 acre severely limits ADU development. Removing the minimum lot size would expand opportunities for workforce housing.

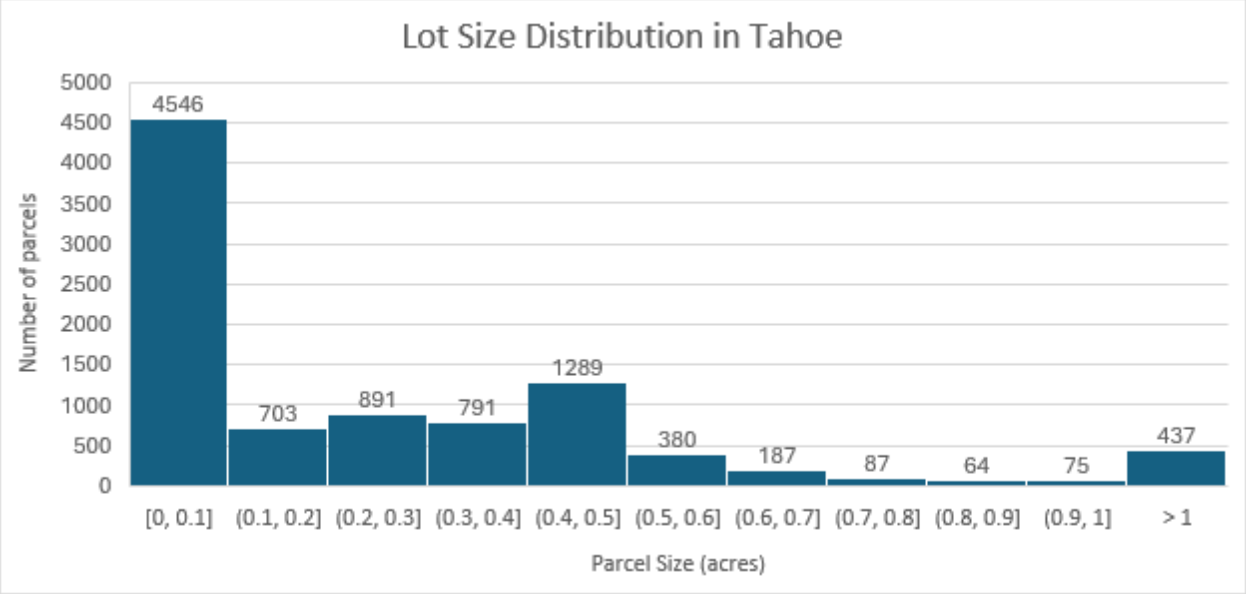

Figure 1 Chart showing the distribution of lot sizes in the Tahoe Basin

Washoe County Development Code Improvements

The Tahoe Modifiers (Articles 220 and 220.1 of Chapter 110 of the Washoe County Code)—the Tahoe-specific portion of the WCDC—have been adopted by TRPA as part of its adoption of the TAP. Therefore, these articles of the WCDC are amended through the full area plan update process. Since other updates to the TAP are necessary, there is an opportunity to make improvements to the Code, particularly Article 220, that have been identified through the implementation of the Code since adoption of Articles 220 and 220.1 in 2021. These proposed changes include:

- Remove the requirement for a special use permit to build or modify a single-family home and the requirement for a special use permit for "all development" in regulatory zones intended for/with existing single-family development. Require hold harmless agreements, as needed, to address potential avalanche and other natural hazard risks. This will involve changes to the Crystal Bay, Incline Village 5, and East Shore regulatory zones. Currently, special use permits are required because of potential natural hazard risks. A hold harmless requirement implements the most common condition of approval without a discretionary review process.
- Decrease the minimum density required in town centers from 15 to 10 and allow 100% deed restricted achievable housing developments to be below the minimum

density. This will lower an existing barrier to redevelopment and could incentivize small additions of achievable housing units in town centers.

- Align the processes for accessory structures and main structures to encroach into the front yard setback on sloped and corner lots, allowing both by right rather than requiring an administrative review permit for main structures only. Update requirements related to roadways to encompass roadways managed by entities other than Washoe County (e.g. Nevada Department of Transportation) and other types of infrastructure.
- Modify requirements for long- and short-term bike parking and bike storage within and outside of town centers.
- Update temporary use requirements to allow Washoe County to recognize temporary uses allowed by the Tahoe Regional Planning Agency (TRPA). This resolves an existing conflict between TRPA and Washoe County codes.
- Expedite the approval process by allowing multifamily housing through the administrative review (AR) application process in town centers. Allow multifamily developments of four units or less by right in town centers.
- Align residential and commercial setbacks in mixed-use development and reduce minimum lot width from 60'-80' (depending on lot size) to 40' in preferred affordable areas for residential and mixed-use development, to allow flexible site design.

Updates Identified During 2021 Adoption

When the Tahoe Area Plan was originally adopted in 2021, the Tahoe Regional Planning Agency (TRPA) identified specific amendments that would need to be made (*see* the Governing Board staff report pages 160-161):

- Include the Tahoe Transportation District (TTD) in the parking management plan. Adding clarification that TTD should be included in the development of any parking management plan.
- Identify which regulatory zones can receive transferred development rights (TDRs). Identification of areas that can receive TDRs was accidentally excluded during the 2021 adoption of the TAP. Such identification will be added to the special policies of the applicable regulatory zones.
- Apply TRPA Code of Ordinance rules for community plans to Ponderosa Ranch. Ponderosa Ranch is the only former community plan area that did not become a town center with the 2021 TAP adoption. As such, applying the community plan regulations to the area would allow continued application of incentives that have historically applied to the area.

Clarifications and Typographical Errors

Since the original adoption of the Tahoe Modifiers (Article 220), a number of typographical/other errors and necessary clarifications have been identified by staff. The proposed changes are:

- Fix an error in the section explaining use table abbreviations to clarify that "A" means "allowed," rather than "allowed subject to an administrative permit."

- Add clarification that development code amendments (DCAs) to Article 220 and 220.1 are also considered master plan amendments by TRPA and require regional review, and are thus subject to both application fees. Add requirement that development code, master plan, and regulatory zone amendments in the Tahoe planning area can only be accepted in January and September, to align with TRPA timelines.
- Add clarification that the special areas in use tables have an entirely separate list of allowed uses, rather than adding to uses allowed in the rest of the regulatory zone.
- Add Schools—Kindergarten through Secondary Schools as an allowed use in Incline Village Tourist. This use was added in 2002 through an area plan amendment and inadvertently omitted from the 2021 area plan adoption.
- Update Sierra Nevada College to University of Nevada, Reno at Tahoe, and other updates to organization names.
- Incorporate references and make changes to be consistent with the TRPA Active Transportation Plan.
- Update references to the Washoe County Master Plan.
- Add dates to tables containing point-in-time data.
- Other typographical error fixes and clarifications.

FISCAL IMPACT

No fiscal impact.

PUBLIC OUTREACH

Public outreach occurred December 2024 through May 2025. The first round of public outreach (December 2024 – January 2025) included reaching out to stakeholders, holding a "kick-off" meeting at the Incline Village/Crystal Bay Citizen Advisory Board, and hosting two "pop-up" events for people to learn about and provide feedback on the area plan update. During this outreach, some citizens of Incline Village/Crystal Bay expressed broad opposition to the TRPA Phase 2 Housing Amendments (which TRPA had already adopted). Prominent community concerns included impact on evacuation capabilities; impact on community character (e.g. taller buildings); and concerns regarding reduced parking standards exacerbating the already difficult parking challenges faced by residents, businesses, and tourists in the Washoe Tahoe area. There were also general concerns about the definition of achievable housing and its omission of an income-based requirement. Furthermore, citizens were concerned about deed-restriction enforcement capacity. In response to these concerns, staff explored proposing alternate standards to the TRPA Phase 2 Housing Amendments, as described previously in this staff report. Based on direction from TRPA staff, these amendments now propose to fully adopt the TRPA Phase 2 Housing Amendments. Overall, about 60 citizens participated in this round of public outreach.

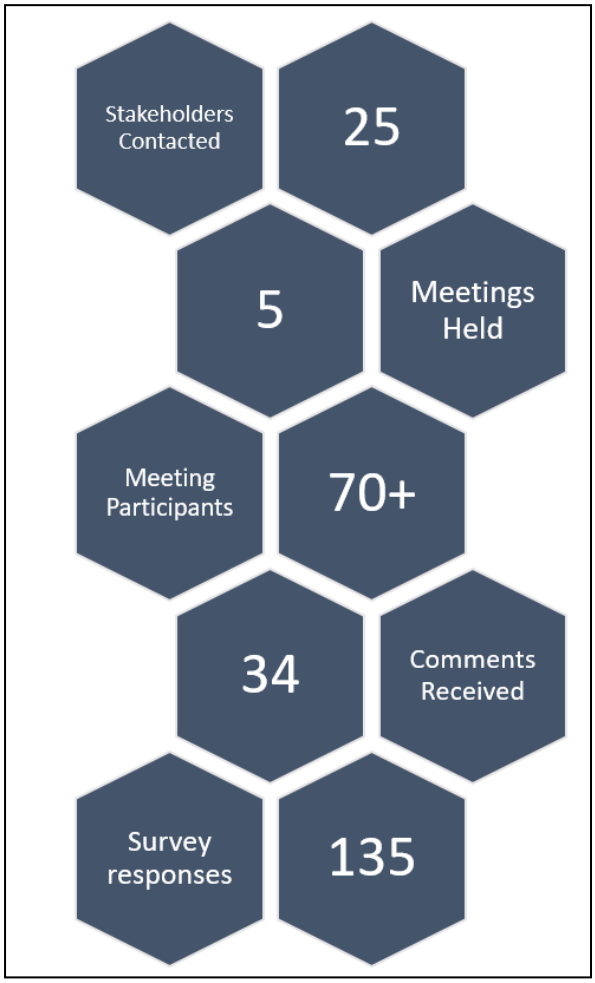

Figure 3 Public Outreach Participation

The second round of public outreach (April – May 2025) involved the release of draft amendments for public review, two online surveys, a webinar, two in person workshops, and meetings with various stakeholders. Additionally, a group of Latino citizens associated with St. Francis of Assisi church conducted a survey on housing affordability to provide feedback to Washoe County staff related to the 2025 TAP update. This survey had 82 respondents, and the results (in English and Spanish) are attached in Exhibit E of Attachment C. In general, feedback from the second round of public outreach echoed concerns from the first round of public outreach regarding the TRPA Phase 2 Housing Amendments. Recurring topics of comment and concern were short term rentals (STRs)

and their impact on housing, wildfires and evacuation, and potential infrastructure impacts of expanded allowances for ADUs and residential uses in Ponderosa Ranch.

A robust summary and analysis of public outreach is included as Exhibit E of Attachment C. Exhibit E of Attachment C also includes all public comments received during public outreach.

PUBLIC INPUT RESPONSE

Some community concerns cannot be addressed in the scope of the 2025 TAP Update and/or are currently being addressed in different manners. For example, Washoe County Emergency Management recently received a donation to fund an evacuation study, which will help evaluate and address concerns regarding evacuation. Likewise, TRPA has allocated funding to deed-restriction monitoring and enforcement. However, some concerns, such as those regarding parking, can potentially be addressed through the proposed changes, to the greatest extent possible while still complying with all TRPA requirements. Citizens of Incline Village/Crystal Bay have also consistently expressed support for workforce housing. Proposed amendments respond to that support by exploring opportunities for workforce housing in new locations (e.g. Ponderosa Ranch) and lowering regulatory barriers to the provision of workforce housing in town centers.

A quick summary of the larger changes made as a result of public feedback is outlined below.

- **Exploration of an alternative to the TRPA Phase 2 Housing Amendments:** While ultimately not supported by TRPA staff, Washoe County staff's exploration of alternative standards to the Phase 2 Housing Amendments was a significant response to public feedback expressing concern about those amendments. Exhibit F of Attachment C includes the feedback received in response to the proposed alternatives.
- **Creation of clear standards for parking modifications:** A frequently cited concern around the TRPA Phase 2 Housing Amendments was potential impacts to already limited parking in IV/CB. To ensure clarity, transparency, and adequate consideration of impacts in considering parking reduction requests, staff added section 110.220.45(a) with criteria for consideration.

For more information on staff responses and changes to public feedback, *see* Exhibit E of Attachment C.

MODIFICATIONS SINCE PLANNING COMMISSION

After the Planning Commission hearing, the owner of APN 126-420-02 (1321 Tirol Dr) reached out to planning staff with concerns about the proposed removal of the Tyrolian Village Special Area, a special area that only encompasses the aforementioned parcel and allows two tourist accommodation uses that are not otherwise allowed in the regulatory zone. This special area was created with the 2021 Tahoe Area Plan update adoption due to its existence in TRPA documents, though Washoe County had never approved the special area prior to that point. At the time of the Tahoe Area Plan update adoption in 2021, the TRPA Governing Board staff report identified the creation of the Tyrolian Village special area as an error that should be corrected in the future. The proposed

removal of the special area was therefore included in the amendments as presented to the Planning Commission.

However, due to the property owner's objection to a change in regulatory zoning that only impacts their property, staff has modified the development code amendment to remove that proposed change—which will leave those sections of Code as currently written. Staff has also modified the language related to development code amendment applications to clarify that they are considered a master plan amendment by TRPA but not by Washoe County.

RECOMMENDATION

It is recommended that the Board of County Commissioners introduce and conduct a first reading of the attached ordinance amending Washoe County Code Chapter 110 (Development Code) within Articles 220 and 220.1. If supported, the Board is asked to set the public hearing for second reading and possible adoption of the Ordinance for August 26, 2025.

POSSIBLE MOTION

Should the Board agree with the Planning Commission's recommendation, a possible motion would be:

"Move to introduce and conduct a first reading of Bill Number [insert Bill number provided by County Clerk], which is an ordinance amending Washoe County Code Chapter 110 (Development Code) within Articles 220 Tahoe Area and 220.1 Tahoe Area Design Standards, as provided in Attachment A.

Further move to schedule a public hearing for the second reading and possible adoption of the ordinance for WDCA25-0003 for August 26, 2025."

Attachments:

A. Working Copy of Proposed Ordinance
B. Planning Commission Resolution
C. Planning Commission Staff Report
D. Planning Commission Staff Presentation
E. Recording of June 3, 2025 Planning Commission Public Hearing
F. Additional Public Comment (post Planning Commission Staff Report)