

## **4.2 POPULATION, HOUSING, AND SOCIOECONOMICS**



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## 4.2 POPULATION, HOUSING, AND SOCIOECONOMICS

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The following section discusses the proposed project's effect on the population, housing, and socioeconomic condition of the General Plan Planning Area and to some extent the surrounding areas. The section includes a discussion of housing, population, and economic regulations and policies as they apply to the Planning Area, the current and past population, housing, and economic condition of the Planning Area, as well as the anticipated effects of the proposed 2030 General Plan Update on those conditions. The analysis focuses on potential environmental impacts associated with direct and indirect population inducement and potential displacement of housing and/or people as well as the provision of affordable housing. Information for this section was obtained primarily from public agency contacts and data/reports including U.S. Census data, California Department of Finance estimates and projections, and real estate statistics from the California Association of Realtors and the South Tahoe Association of Realtors. Additional sources include the City of South Lake Tahoe's current Housing Element (2008) and the City of South Lake Tahoe General Plan Update Background Report and Policy Document.

### 4.2.1 REGULATORY FRAMEWORK

#### FEDERAL

#### **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act)**

The Uniform Act, passed by Congress in 1970, is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The act's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects. The government-wide regulation that implements the act is 49 Code of Federal Regulations Part 24.

#### **Title 24 -- Housing and Urban Development Part 42**

#### Displacement, Relocation Assistance, and Real Property Acquisition for Housing and Urban Development (HUD) and HUD-Assisted Programs

Section 104(d) of the Housing and Community Development Act (HCD Act) provides minimum requirements for federally funded programs or projects when units that are part of a community's low-income housing supply are demolished or converted to a use other than low- or moderate-income dwellings.

Section 104(d) requirements include:

- Replacement, on a one-for-one basis, of all occupied and vacant occupiable low- or moderate-income dwelling units that are demolished or converted to a use other than low- or moderate-income housing in connection with an activity assisted under the HCD Act; and
- Provision of certain relocation assistance to any lower-income person displaced as a direct result of the following activities in connection with federal assistance:
  - Demolition of any dwelling unit, or
  - Conversion of a low- or moderate-income dwelling unit to a use other than a low- or moderate-income residence.

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Section 104(d) requirements are triggered by the use of HOME, Community Development Block Grant (CDBG), Section 108 Loan Guarantee, or Urban Development Action Grant (UDAG) funding in a project involving the demolition or conversion of low- or moderate-income housing.

### STATE

#### **California Relocation Statute – Government Code Section 7260**

The Relocation Statute is a California law that establishes minimum standards for state-funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The statute's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for state-funded projects. The statute is intended for the benefit of displaced persons, to ensure that such persons receive fair and equitable treatment and do not suffer disproportionate injuries as the result of programs designed for the benefit of the public as a whole. Title 25, Division 1, Chapter 6 of the California Code of Regulations provides the regulatory guidelines to enforce the statute.

#### **Title 25, Division 1, Chapter 6, Subchapter 1 – Relocation Assistance and Real Property Acquisition**

This section of Title 25 provides guidelines to assist public entities in the development of regulations and procedures implementing Government Code Section 7260. The guidelines are designed to carry out the following policies of Section 7260:

- a) To ensure that uniform, fair, and equitable treatment is afforded persons displaced from their homes, businesses, or farms as a result of the actions of a public entity in order that such persons shall not suffer disproportionate injury as a result of action taken for the benefit of the public as a whole.
- b) In the acquisition of real property by a public entity, to ensure consistent and fair treatment for owners of real property to be acquired, to encourage and expedite acquisition by agreement with owners of such property in order to avoid litigation and relieve congestion in courts, and to promote confidence in public land acquisition.

#### **Proposition 46**

In November 2002, the Housing and Emergency Shelter Trust Fund Act of 2002 was passed by the voters of California. Proposition 46 created a trust fund to provide shelters for battered women, clean and safe housing for low-income senior citizens, emergency shelters for homeless families with children, housing with social services for homeless and mentally ill persons, repairs/accessibility improvements to apartments for families and handicapped citizens, veteran homeownership assistance, and security improvements/repairs to existing emergency shelters. Funded by a bond issue of \$2.1 billion, Proposition 46 makes cities and counties eligible to receive specified funds that are then subject to an independent audit. Proposition 46 also appropriates money from the state general fund to repay bonds.

### REGIONAL

#### **Regional Plan for the Lake Tahoe Basin**

The Tahoe Regional Planning Compact charges the Tahoe Regional Planning Agency (TRPA) with attaining and maintaining environmental threshold carrying capacities (thresholds) in order to protect environmental values in the Tahoe Basin. Specific thresholds have been developed

by TRPA in the areas of air quality, water quality, soil conservation, vegetation, fisheries, wildlife, scenic, noise, and recreation. Although, no specific thresholds have been determined for socioeconomic goals, these are sub-elements and important components to the comprehensive Regional Plan for the Tahoe Basin.

### **TRPA Code of Ordinances**

The Code of Ordinances is a compilation of all TRPA laws and ordinances established to implement the goals and policies of the Regional Plan. Code provisions applicable to housing include Chapters 21 (Density), 33 (Allocation of Development), 34 (Transfer of Development), and 35 (Bonus Incentive Program).

### LOCAL

#### **City of South Lake Tahoe City Code**

Provisions of the City Code applicable to housing include Chapters 8 (Building Regulations), 14 (Housing), 14A (Multiple Dwelling Inspection and Maintenance Program), and 28 (Transient Lodging).

#### **City of South Lake Tahoe Housing Element**

The City of South Lake Tahoe adopted an update to its Housing Element in December 2008. The element was subsequently certified by the California Department of Housing and Community Development on January 26, 2009. The element contains a Background Report and a Policy Document. The Background Report provides information on household characteristics, housing needs, housing supply, land inventory for new development, housing programs, constraints, and incentives for new housing development. It also evaluates progress made since the previous Housing Element was adopted in 2003. The Policy Document includes the City's goals, policies, quantified objectives, and housing programs for the maintenance, improvement, and development of housing (City of South Lake Tahoe, 2008).

#### **City Housing Programs**

The City of South Lake Tahoe Redevelopment Agency entered into a Memorandum of Understanding with the City to develop and implement affordable housing programs using 20 percent of tax increment housing set-aside funds (aka Low and Moderate Income Housing Fund (LMIHF)). The LMIHF is utilized as a leveraged resource in grant applications submitted by the City to the U.S. Housing and Urban Development (HUD) and California's Department of Housing and Community Development for grants to support the City's housing programs. The City's housing programs funded by grants and the LMIHF include:

- First-Time Homebuyer Program
- Moderate Income Homebuyer Program
- Housing Rehabilitation Program
- Rental Housing New Construction Program
- Illegal Unit Conversion Program
- Keys to Home Ownership Education and Counseling Program

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- Housing Hotline
- Multi-family Housing Inspection Program

### 4.2.2 AFFECTED ENVIRONMENT

#### POPULATION

##### Regional Population Trends

The City of South Lake Tahoe is located in eastern El Dorado County in the Sierra Nevada range. The county encompasses the incorporated communities of Placerville and South Lake Tahoe as well as numerous unincorporated communities including El Dorado Hills and Cameron Park. The county's 2009 population was estimated at 180,185, with 81 percent residing in the unincorporated county and the remaining 19 percent residing in its incorporated communities (DOF, 2009). Historical population growth in El Dorado County is shown in **Table 4.2-1** below.

**TABLE 4.2-1**  
**HISTORICAL POPULATION GROWTH – EL DORADO COUNTY**

Year	Population	Average Annual Percentage Change
1970	44,100	–
1980	86,500	9.6%
1990	127,300	4.7%
2000	156,299	2.3%
2005	172,987	2.1%
2006	175,530	1.5%
2007	177,379	1.1%
2008	178,860	0.8%
2009	180,185	0.7%

Source: DOF, 1990, 2009

As shown in this table, the county's population steadily increased from 1970 through 2009, with the most significant growth occurring in the 1970s and 1980s. During the 1970s, the population increased by nearly 100 percent, and in the 1980s the population increased by nearly 50 percent. From 1990 to 2009, the county's population continued to grow but at a significantly slower pace, increasing by about 40 percent over the 19-year period (DOF, 1990, 2009). As shown in **Table 4.2-2**, the county's population is projected to grow at an average annual rate of about 2 percent, reaching 314,126 by 2050 (DOF, 2007).

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**TABLE 4.2-2  
CURRENT AND PROJECTED POPULATION – EL DORADO COUNTY AND SURROUNDING COUNTIES**

County	2000 Population	Projected Population					Average Annual Growth Rate (2000–2050)
		2010	2020	2030	2040	2050	
El Dorado	156,299	189,308	221,140	247,570	280,720	314,126	+ 2.0%
Placer	252,223	347,543	428,535	512,509	625,964	751,208	+ 4.0%
Sacramento	1,233,575	1,451,866	1,622,306	1,803,872	1,989,221	2,176,508	+ 1.5%
Amador	35,357	40,337	47,593	54,788	61,550	68,487	+ 1.9%
Alpine	1,261	1,369	1,453	1,462	1,411	1,377	+0.2%

Source: DOF, 2007

The growth projections for surrounding counties, as shown in **Table 4.2-2**, are generally similar to El Dorado County, with the exception of Placer County, which is expected to grow at a significantly greater rate.

### Local Population Trends

According to the California Department of Finance (DOF) (2009), the City of South Lake Tahoe was estimated to have a population of 23,896 in 2009. As shown on **Table 4.2-3** below summarizing the city's population between 1990 and 2009, contrary to much of California and El Dorado County, the city has seen limited growth since 1995. According to the DOF, the city's population grew by a mere 1.2 percent between 2000 and 2009, which is virtually no change in overall population. The population numbers actually decreased between 2003 and 2006, with a slight resurgence during 2007 through 2009. This trend is in contrast to the increase in population in El Dorado County as a whole, which experienced growth of about 15.3 percent in the same period (DOF, 2009).

**TABLE 4.2-3  
POPULATION OF THE CITY OF SOUTH LAKE TAHOE, 1990–2009**

Year	Population	Growth from Previous Period	Percentage Average Annual Growth Rate from Previous Period
1990	21,586	–	–
2000	23,609	+ 2,023	+ 0.9%
2001	23,972	+ 363	+ 1.5%
2002	23,993	+ 21	+ 0.1%
2003	23,998	+ 5	+ 0.0%
2004	23,978	-20	-0.1%
2005	23,904	-74	-0.3%
2006	23,740	-164	-0.7%
2007	23,768	+ 28	+ 0.1%
2008	23,850	+ 82	+ 0.4%
2009	23,896	+ 46	+ 0.2%

Source: City of South Lake Tahoe, 2008; California Department of Finance, 2009

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### HOUSING

#### Household Size

Population projections are converted to numbers of households by using an average household size for the area. In 2009, the average household size for the City of South Lake Tahoe was 2.460, which is slightly lower than the county's average household size of 2.568. As shown in **Table 4.2-4** below, the average household sizes in the city and county have steadily fallen over the past decade while that in the state has fluctuated from year to year (DOF, 2009).

**TABLE 4.2-4**  
**AVERAGE HOUSEHOLD SIZE (PERSONS PER HOUSEHOLD)**  
**2000 THROUGH 2009 CITY OF SOUTH LAKE TAHOE, NEVADA COUNTY, STATE OF CALIFORNIA**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Average
City of South Lake Tahoe	2.495	2.526	2.524	2.516	2.509	2.489	2.465	2.459	2.460	2.460	2.490
El Dorado County	2.634	2.667	2.665	2.657	2.638	2.607	2.576	2.567	2.568	2.568	2.615
California	2.873	2.899	2.920	2.934	2.943	2.941	2.929	2.923	2.926	2.940	2.923

Source: DOF, 2009

#### Housing Tenure and Vacancy

During the period from 1990 to 2000, the U.S. Census recorded a decrease of 60 dwelling units in the city while the Lake Tahoe Basin as a whole saw a 5.6 percent increase in the number of dwelling units (U.S. Census, 2000; City of South Lake Tahoe, 2008). What is not apparent is the reason for the local dwelling unit decrease, whether it is the result of demolition, conversion, redevelopment, or counting errors between the two census counts (City of South Lake Tahoe, 2005). However, between 2000 and 2007, 306 new residential housing units were produced in the city, increasing the total number of housing units to 14,311 (City of South Lake Tahoe, 2008). A more accurate picture may be revealed when the 2010 Census data is released.

As shown on **Table 4.2-5** below, using the data reported by the Census in 1990 and 2000, of the existing homes in the city, the number of owner-occupied homes increased from 36.4 percent in 1990 to 43.1 percent in 2000, a nearly 7 percent change, which correlates with a 0.9 percent increase in residents indicated in the 2000 Census.

While the total number of vacant residences in the city decreased by 6.1 percent, a significant change has occurred in the use of vacant units. In 1990, 37.8 percent of the vacant units were used for seasonal or recreational housing. By 2000, the number of vacant dwelling units used for seasonal/recreational housing more than doubled to 80 percent. When 2007 data is included, the percentage does not change, meaning the use of vacant dwelling units for seasonal housing remains high (City of South Lake Tahoe, 2008). Overall, 26.3 percent of all dwelling units in the city are used for seasonal/recreational housing to accommodate the tourist population. This sharp increase in the use of vacant units utilized as vacation homes could indicate support for assertions made by RRC Associates that the overall tourist character of the city is changing (see Socioeconomic Setting below).

TABLE 4.2-5  
HOUSING TENURE – CITY OF SOUTH LAKE TAHOE, 1990 AND 2000

Tenure of Units	1990		2000	
	Number	Percentage	Number	Percentage
<b>Occupied</b>				
Owner-Occupied	3,141	36.4	4,056	43.1
Renter-Occupied	5,484	63.6	5,354	56.9
<i>Subtotal</i>	8,625	–	9,410	–
<b>Vacant</b>				
Vacant	3,382	62.2	918	20.0
Vacant for Seasonal, Recreational, or Occasional Use	2,059	37.8	3,677	80.0
<i>Subtotal</i>	5,441	–	4,595	–
<b>Total</b>	<b>14,066</b>	–	<b>14,005</b>	–

Source: U.S. Census Bureau, 1990 and 2000

### Housing Costs

According to the South Tahoe Association of Realtors (STAR) (2009), median single-family home prices in the city increased steadily between 2000 and mid-2006. Year-over-year increases reached as high as 29 percent (November 2005 compared to November 2004) before the slowdown in the economy affected sales prices. By the summer of 2006, sales prices began declining with the first negative percentage change reported in November 2006 and sliding downward throughout 2007 into double-digit decreases by summer 2008. Throughout 2009, the median sales price continued to decline. At the time this report was prepared (November 2009), the median home price for a single-family residence in South Lake Tahoe decreased to the price it was throughout 2003 (\$320,000) (STAR, 2009). Similarly, the California Association of Realtors (CAR) reports that the median home price statewide dropped from \$560,300 in 2007 to \$346,400 in 2008 and to \$248,000 in June 2009. This median price represents a decrease of nearly 56 percent between 2007 and June 2009 (CAR, 2009).

Homes purchased in South Lake Tahoe at the height of the market (approximately March 2006) have seen values decrease by as much as 35 percent, resulting in an increase in foreclosures. The rate of foreclosures among homeowners in the city is relatively stable compared to harder-hit communities across California; however, according to RealtyTrac (2009) and the El Dorado County Property Tax Assessor (El Dorado County, 2009), as of November 2009, the City of South Lake Tahoe had at least 221 abandoned and foreclosed housing units and Notices of Default had risen by 131 percent since 2006.

The combination of factors that will help the city's housing market rebound is the decrease in housing sales prices and the steady high desirability of living in South Lake Tahoe. Together these two factors are expected to allow for the absorption of a majority of foreclosures, and thus stabilization in the housing market is predicted by mid-2010.

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**TABLE 4.2-6**  
**SINGLE-FAMILY RESIDENCE MEDIAN HOME PRICES IN THE CITY, 2000 THROUGH AUGUST 2009**

Date	Median Price	Percentage Change
2000	\$189,000	–
2001	\$245,000	29.6%
2002	\$274,750	12.1%
2003	\$317,307	15.5%
2004	\$347,004	9.4%
2005	\$389,021	12.1%
2006	\$453,000	16.4%
2007	\$461,758	1.9%
2008	\$426,807	-7.6%
2009 <sup>1</sup>	\$384,625	-9.9%

Source: *City of South Lake Tahoe, 2008; South Tahoe Association of Realtors, 2009*

Notes: 1. Includes data through August 2009

### Housing Inventory

According to data provided in the City's recently adopted Housing Element (2008), single-family homes make up the majority of residential units in the city, at just over 65 percent of the total housing inventory. Multi-family homes make up nearly 30 percent of the city's housing stock. It appears that the number of multi-family homes demolished between 2000 and 2007 exceeded new multi-family development, as the number of multi-family units has decreased over time. However, the percentage of multi-family homes in the city still exceeds that of El Dorado County as a whole, at only 12 percent of the county's housing stock. A greater amount of money was spent in the city on the construction of multi-family units in 2006 than in 2000. Approximately 62 percent of the citywide housing stock was built between 1960 and 1980 (City of South Lake Tahoe, 2008).

### SOCIOECONOMICS

#### Employment

Historically, tourism has been the primary economic basis of South Lake Tahoe and the surrounding Tahoe Basin. The proximity of the city to Lake Tahoe, wilderness areas, and ski resorts in the region, as well as to the casinos and resorts located across the Nevada state line, have made the city a tourist destination. This situation creates a low-paid, seasonal workforce. Jobs paying minimum wage plus tips are common (City of South Lake Tahoe, 2008).

As is typical in destination resort areas, the economy lacks stability because it is seasonal and climate-dependent. After Labor Day and in the spring, hours of employment tend to be cut back, and in some cases, full season lay-offs occur. Some people work "dual" seasonal employment, such as Forest Service firefighting in the summer and ski patrolling in the winter.

According to the City's Housing Element (2008), the City of South Lake Tahoe had a total industry employment of 14,559 employees in 2005. More than half of these employees work for

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the service industry, with more than 3,800 people employed by hotel and lodging establishments alone. Retail trade was the next largest industry in 2005, including 1,139 restaurant employees. Nearly 650 employees worked in the entertainment and recreation industry, further indicating a heavily tourism-based economy (City of South Lake Tahoe, 2008). The proportion of employees employed by each industry in the city is shown in **Table 4.2-7** below.

**TABLE 4.2-7  
EMPLOYEES BY MAJOR INDUSTRY – CITY OF SOUTH LAKE TAHOE**

Industry	Employees (Percentage)
Services	55.6
Retail Trade	26.3
Public Administration	5.1
Finance, Insurance, and Real Estate	4.8
Transportation and Communications	3.3
Construction	2.1
Agricultural, Forestry, and Fishing	1.3
Wholesale Trade	1.2
Manufacturing	0.4

*Source: City of South Lake Tahoe, 2008*

*Note: Percentages total more than 100 due to independent rounding.*

### Household Income

According to U.S. Census data, the city's median income rose approximately 22 percent between 1999 and the 2006/2008 survey period, from \$34,707 to \$42,381. This figure is significantly lower than the median income for all of El Dorado County, which was estimated at \$70,022 during the 2006/2008 survey (U.S. Census Bureau, 2000, 2008). According to the City (2005), a significant percentage of the city's year-round residents do not make enough to comfortably afford housing available in the area. Household income data for the city, El Dorado County, and the state are summarized in **Table 4.2-8** below.

**TABLE 4.2-8  
HOUSEHOLD INCOME DISTRIBUTION –  
CITY OF SOUTH LAKE TAHOE, EL DORADO COUNTY, AND STATE OF CALIFORNIA**

Income Category <sup>1</sup>	South Lake Tahoe		El Dorado County		State of California	
	Number of Households	Percentage of Total	Number of Households	Percentage of Total	Number of Households	Percentage of Total
< \$10,000	632	6.9	2,185	3.3	8,045,626	7.2
\$10,000–\$14,999	766	8.4	2,057	3.1	6,139,558	5.5
\$15,000–\$24,999	1,255	13.7	4,935	7.6	11,921,076	10.6
\$25,000–\$34,999	1,172	12.8	5,470	8.4	11,899,350	10.6
\$35,000–\$49,999	1,538	16.8	7,743	11.8	15,951,147	14.2
\$50,000–\$74,999	1,881	20.6	12,684	19.4	21,109,871	18.8

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Income Category <sup>1</sup>	South Lake Tahoe		El Dorado County		State of California	
	Number of Households	Percentage of Total	Number of Households	Percentage of Total	Number of Households	Percentage of Total
\$75,000–\$99,999	800	8.7	8,861	13.6	13,992,314	12.5
\$100,000–\$149,999	524	5.7	11,640	17.8	13,758,104	12.2
\$150,000–\$199,999	298	3.3	5,301	8.1	4,858,631	4.3
> \$200,000	286	3.1	4,467	6.8	4,710,621	4.2

Source: U.S. Census Bureau, 2008

Notes: 1. 2008 inflation-adjusted dollars

### Unemployment

El Dorado County is currently (as of September 2009) experiencing a high unemployment rate of approximately 11.2 percent due to the nationwide economic recession (EDD, 2009). As shown in **Table 4.2-9** below, this rate is significantly higher than in previous years.

**TABLE 4.2-9**  
**CURRENT AND HISTORIC UNEMPLOYMENT RATES – EL DORADO COUNTY**

	June 1990	June 2000	June 2005	June 2006	June 2007	June 2008	June 2009	Sept. 2009
Total Labor Force	64,200	82,300	91,200	92,300	91,100	92,300	92,800	91,200
Employed	61,800	78,700	86,800	88,000	86,600	86,100	81,700	81,000
Unemployed	2,500	3,600	4,400	4,300	4,400	6,200	11,100	10,200
Unemployment Rate	3.8%	4.4%	4.8%	4.6%	4.9%	6.7%	11.9%	11.2%

Source: California Employment Development Department, 2009

### Jobs-to-Housing Balance

Insufficient housing may impede economic growth by driving up the price of available housing, making it difficult for companies to attract new employees and forcing families seeking affordable housing to move farther away from the communities in which they work. Conversely, insufficient jobs may force residents to commute long distances to outside employment centers. These potential mismatches are referred to as a jobs-to-housing imbalance. It is generally considered ideal to have a jobs-to-housing balance of approximately one job per housing unit in a jurisdiction.

In 2000, the ratio of employed workers to housing units in the City of South Lake Tahoe was 0.85, indicating that there was a greater number of housing units (14,036) in the city than jobs (11,953) (U.S. Census Bureau, 2000). By contrast, in the same year the county as a whole had a jobs-to-housing ratio of approximately 1.04 (73,821 employed workers and 71,278 housing units), indicating that there was a slightly greater number of jobs than housing unit in the county (U.S. Census Bureau, 2000). More recently (2005), the city's jobs-to-housing ratio became more balanced at 1.02 with 14,559 employed workers and 14,220 housing units (City of South Lake Tahoe, 2008; DOF, 2009). At present, the city's jobs-to-housing ratio is likely to be significantly lower due to the high unemployment rate in the region.

### 4.2.3 ENVIRONMENTAL CONSEQUENCES, IMPACTS, AND MITIGATION MEASURES

#### STANDARDS OF SIGNIFICANCE

Based on State CEQA Guidelines, Appendix G, and the TRPA Initial Environmental Impact Checklist, the proposed General Plan Update would have a significant impact on population, housing, and/or socioeconomics if it would:

1. Either directly or indirectly result in a substantial increase in the existing or planned population of the region.
2. Substantially alter the location, distribution, density, or growth rate of the human population planned for the region.
3. Displace substantial numbers of people or housing, necessitating the construction of replacement housing elsewhere.
4. Affect existing housing, or create a demand for additional housing by:
  - a. Decreasing the amount of housing in the Tahoe region;
  - b. Decreasing the amount of housing in the Tahoe region historically or currently being rented at rates affordable by lower- and very low-income households.
5. Result in the loss of housing for lower-income and very low-income households.

#### METHODOLOGY

The following impact analysis was based upon review of data and reports prepared by the U.S. Census Bureau and California Department of Finance and various other governmental agencies and private organizations, including the California Association of Realtors and the South Tahoe Association of Realtors as well as the City's recently adopted Housing Element (2008) and the proposed General Plan Update. The analysis was guided by the TRPA Initial Environmental Checklist and the CEQA Checklist published by the City along with the Notice of Preparation on September 15, 2009. Population increases were based on an average persons per household of 2.46, while employment estimates were based on an assumption of 2.0 full-time equivalent employees per 1,000 square feet of commercial floor area (CFA). As noted in **Table 4.2-5**, approximately 26.3 percent of all residential units in the city are utilized as seasonal/vacant housing rather than permanent housing. This percentage of seasonal residents versus permanent is utilized in the analysis below. The City's 2008 Housing Element (Housing Element, page 4-12) identified that development potential for second units is limited to 51 parcels in the city that meet TRPA Code of Ordinance Chapter 21 standards (1 acre or greater parcel size) and would be required to obtain residential allocations. Thus, the potential for second unit development and associated growth effects were not factored in this analysis.

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### IMPACTS AND MITIGATION MEASURES

#### **Substantially Increase and/or Alter Distribution of Human Population (Standards of Significance 1 and 2)**

**Impact 4.2.1** Implementation of the proposed 2030 General Plan Update would result in an increase in the population of the city and would alter the overall distribution and density of this population. However, the extent of development would not be considered substantial in relation to existing development and El Dorado County growth trends. This impact is **less than significant**.

The proposed project consists of a comprehensive update of the City's General Plan including a new Land Use Diagram that would establish land uses within the city limits. The planned land uses (shown on **Figure 3.0-2**) would focus development within the three existing community plan areas (South Y Industrial Tract, Bijou/Al Tahoe, and Stateline/Ski Run) as well as in the proposed Tahoe Valley Community Plan (TVCP) area. Development would be further concentrated at higher densities in two nodes within the Stateline/Ski Run and Tahoe Valley community plan areas. Implementation of the proposed Land Use Diagram as well as certain policies contained in the proposed policy document (in particular, LU-1.7, LU-1.9, LU-1.11, and LU-1.13) would result in new development and redevelopment in the city. Such development would include new residential units, which would allow for direct population growth in the city, as well as new commercial development, which would allow for indirect population growth in the city through the creation of new jobs.

The proposed project would allow for the development of up to 1,162 new residential units in the city over the next 20 years (though it should be noted that the project does not require that this extent of development occur). This development would include 940 market-rate units, which is the maximum permitted under the current TRPA allocation system, as well as 222 affordable housing units, which are exempt from the allocation system. As shown in **Table 4.2-4** above, the average household size in the city in 2009 was estimated at 2.46 persons per household. Based on this average household size, the development and occupation of 1,162 new residential units in the city would result in a population increase of approximately 2,859 persons. The city's current (2009) population is estimated to be approximately 23,896 (DOF, 2009). The addition of approximately 2,859 persons would represent a 12.0 percent increase in the city's population over the next 20 years (or a roughly 0.6 percent average annual growth rate). This projected annual growth rate is considered to be relatively low and would be significantly less than the county's projected average annual growth rate of 2.0 percent through 2050 (see **Table 4.2-2**). As described previously, 26.3 percent of the city's housing is currently utilized as vacation and seasonal housing and is not part of the city's permanent residential population (see **Table 4.2-5**). Assuming that this percentage of vacation/seasonal housing were applied to the proposed market-rate unit allocation of 940 units under Policy LU-1.9, the total new population increase would be 2,251, which would be 9 percent increase over the current population. Therefore, the 0.6 percent average annual growth rate estimated here is likely overstated.

The proposed project would also allow for the development of up to 386,000 square feet of new commercial floor area (CFA) in the city (again it should be noted that the project does not require that this extent of development occur). According to a sales tax leakage study prepared for the City in 2005, this proposed increase to the city's existing CFA was determined to be necessary to recapture sales tax revenue currently lost due to residents traveling to neighboring communities to shop (City of South Lake Tahoe, 2005). Based on the most conservative assumption routinely used by TRPA in its regional traffic model (for service uses), the proposed commercial development would generate approximately one job per 172 square feet

of CFA (Norberg, 2009). According to this assumption, the addition of 386,000 square feet CFA would result in the creation of approximately 2,245 new jobs in the city. Additional permanent jobs would also likely be created for the ongoing maintenance and operation of new residential units, recreational and transit facilities, and open space areas throughout the Planning Area. The development projected to occur within the Planning Area would also create short-term employment related to design and construction.

If workers were to move into the area to fill these positions, additional housing (either in the city or in or outside the Tahoe Basin), public services, and utilities may be required to accommodate the new residents and environmental effects could result. In addition, changes in vehicle miles traveled could occur, potentially resulting in environmental effects related to air quality, traffic, and noise. Given the high unemployment rate in the county (11.2 percent) it can be assumed that in the near future, many of these positions would likely be filled by local workers, resulting in a positive effect on the local economy and no additional significant environmental effects. The environmental effects associated with increased development are addressed in Sections 4.1 and 4.3 through 4.14 of this Draft EIR.

Finally, the proposed 2030 General Plan Update (i.e., Policy LU-1.13) would allow for the potential future annexation of additional land from the City's SOI into the city limits under certain circumstances. It should be noted that the City does not currently have any plans to annex and develop land outside the city limits and any future annexation and associated development would require further environmental review. Regardless of future annexations, the City would not exceed the number of residential units or CFA provided for under the proposed General Plan Update. Therefore, such annexations would not result in additional population growth beyond that described above.

The General Plan Update would also result in changes to the overall density and distribution of the city's population. The policy provisions contained in the proposed General Plan Update focus planned development and redevelopment into the city's community plan areas, especially the nodes, with higher-density, compact, transit-oriented development. These policies would, over the life of the proposed General Plan (20 years), gradually increase the density of the population within these areas and simultaneously phase out lower-density uses outside these areas. Although this represents a change in the density and distribution of the city's population, such changes are not anticipated to result in environmental degradation. The transition to higher-density, compact, transit-oriented development is anticipated to reduce environmental impacts associated with traffic (vehicle miles traveled), air quality, land disturbance, infrastructure expansion, and other environmental issue areas and to provide opportunities for stream environment restoration and improved water quality control facilities.

### Proposed General Plan Update Provisions that Provide Mitigation

The following list includes those policies that contain specific, enforceable requirements and/or restrictions and corresponding performance standards that address growth.

*Policy LU-1.1: Smart Growth. The City shall implement Smart Growth principles to create walkable, mixed-use centers, compact and complete neighborhoods, and enhanced gateways and places. Smart Growth principles include:*

- *Creating a range of housing opportunities and choices;*
- *Creating walkable neighborhoods;*

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- *Encouraging community and stakeholder collaboration;*
- *Fostering distinctive, attractive communities with a strong sense of place;*
- *Making development decisions predictable, fair, and cost-effective;*
- *Providing a mix of land uses;*
- *Preserving open space, natural beauty, and critical environmental areas;*
- *Providing a variety of transportation choices;*
- *Strengthening and directing development to existing communities; and*
- *Taking advantage of compact building design.*

*Policy LU-1.4: Transect Zoning. The City shall implement the 2030 General Plan consistent with Tahoe Regional Planning Agency's Transect Zoning System, which specifies land uses and standards, while emphasizing building form/function and conservation of natural areas.*

*Policy LU-2.3: Commercial Floor Area Relocation. The City shall incorporate policies and programs into new community plans and amend existing community plans to allow the City to provide Commercial Floor Area matches to projects where commercial development is relocated from outside community plan areas to within community plan areas. Commercial Floor Area match ratios may vary to the extent that project(s) would remove development from designated areas and locate it in desirable areas.*

*Policy LU-2.9: Node Definition. The City shall define two Nodes, one at the Tahoe Valley Y Intersection and the other at Stateline, and make them a focus of future development and revitalization efforts in the city. To this end, the City shall work with the Tahoe Regional Planning Agency to encourage allocations of development commodities (e.g., Commercial Floor Area, Residential Units of Use) to these areas.*

*Policy LU-2.10: Node Development Incentives. The City, in coordination with the Tahoe Regional Planning Agency, shall encourage compact, mixed-use, transit-oriented, and higher-density development within the Stateline Node and Tahoe Valley Gateway District by providing the maximum incentives for these types of projects. Incentives should include an increase in allowed coverage, increased commercial floor area allocations, and exemptions from coverage limitations for affordable and moderate income housing.*

*Policy LU-4.2: Infill and Reinvestment Promotion. The City shall promote infill and reinvestment to increase density within walking distance of transit stops.*

*Policy LU-4.3: Vacant and Underutilized Site Development. The City shall encourage appropriate development/redevelopment of parcels that are either vacant or underutilized, surrounded by existing urban development, and non-environmentally-sensitive.*

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- Policy LU-4.4: Development Priority. The City shall give priority to developments on vacant or underutilized sites that use existing infrastructure, coverage, and development rights.*
- Policy LU-5.1: Locally-Serving Commercial. The City shall ensure that commercial uses are responsive to the needs and wishes of the community and encourage users to shop locally, which will reduce Vehicle Miles Traveled (VMT) to purchase items outside of the Lake Tahoe Basin.*
- Policy LU-7.2: Industrial Use Consolidation. The City shall continue to ensure that the South "Y" Industrial Tract Community Plan area includes Best Management Practices (BMPs) area-wide to support industrial uses.*
- Policy LU-8.7: Scenic Quality of New Projects. The City shall ensure that new projects improve, enhance, and protect the scenic quality of South Lake Tahoe's built and natural environments.*
- Policy LU-9.2: Green Building Incentives. The City shall provide clear incentives for green building practices and consider phasing in requirements for the green rating system or LEED certification for all new buildings, retrofits, and significant remodels. Incentives may include streamlined permit processes and/or tax reductions.*
- Policy ED-1.4: Economic Growth Considerations. The City shall ensure economic growth: makes a positive contribution to the local economy, community, and environment, with particular attention to potential impacts on the health of Lake Tahoe and the forest; does not negatively impact infrastructure and community facilities; and is compatible with scientifically-based and peer-tested regional Environmental Thresholds.*
- Policy TC-2.4: Transit Centers. The City shall provide and maintain Regional Transit Centers in the Stateline and Tahoe Valley areas, and a Neighborhood Transit Center in the Lakeview Commons area. The transit centers will connect regional buses, trolleys, local shuttles, bike trails, and pedestrian facilities (year-round sidewalks, bus shelters, and lighting), and will include space for hotel and resort shuttle bus pick-up and drop-off.*
- Policy TC-3.1: City Bikeways to the Regional Bikeway System Linkages. The City shall link city bikeways to the larger regional bikeway system. This includes a bike trail system that links the Ski Run Marina to the Stateline casino core, the Lakeside Beach area, the mountain area (Van Sickle), Ski Run Boulevard, Tahoe Valley area, and ultimately to the future Greenway bike system. This system will also provide a connection to the Douglas County bike trail system on Lake Parkway, Highway 50, and the mountainside loop.*
- Policy PQP-1.5: Fair Share Costs on New Developments. The City shall require that new development pay its fair share of the cost of providing new public services and/or the costs of expanding/upgrading existing facilities and services impacts by the new development.*
- Policy PQP-1.7: Ultimate Capacity Needs. The City shall ensure, through the development review process, that public facilities and infrastructure are designed and*

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*constructed to meet ultimate capacity needs, pursuant to a master plan, to avoid the need for future replacement to achieve upsizing.*

*Policy PQP-2.10: Groundwater Basin Protection. The City shall protect the groundwater basin from overdraft or contamination from existing and planned developments use of groundwater.*

*Policy NCR-1.2: Scenic Resource Design. The City shall require that siting and design of public and private spaces and buildings to protect, improve, and enhance the scenic quality of the built and natural environment and take full advantage of scenic resources through site orientation, building setbacks, preservation of viewsheds, and height limits.*

*Policy NCR-2.2: Hazardous Materials. The City shall ensure hazardous materials do not reach Lake Tahoe, any of its tributaries, or contaminate Stream Environment Zones or groundwater resources.*

*Policy NCR-2.3: Stormwater Quality Management Improvement. The City shall improve stormwater quality management by including, along with other proven options, the use of swales and natural treatment systems and integration of runoff into functional design elements and public art. The City shall also incorporate the latest technologies for water quality treatment facilities into restoration efforts.*

*Policy NCR-3.6: Stream Environment Zone (SEZ) Restoration and Enhancement. The City shall increase the area of naturally functioning SEZs by preserving existing SEZ and restoring/rehabilitating disturbed SEZ.*

*Policy NCR-3.16: New Development and Lake Tahoe Interactions. The City shall ensure that new development does not negatively impact beach erosion, prime fish habitat, water quality and clarity, and public needs.*

*Policy NCR-6.2: Greenhouse Gas Emission Reduction Strategy. The City shall develop a comprehensive strategy to reduce GHG emissions and climate impacts.*

*Policy NCR-6.5: Creating Environmental Impact Action Tools. The City shall identify action items for residents and businesses that improve energy efficiency and reduce environmental impact.*

In addition to the proposed General Plan policies listed above, the City's recently adopted Housing Element (2008) contains several policies encouraging infill and redevelopment (Policy 1-5) as well as high-density, mixed-use, transit-oriented development (Policies 1-6 through 1-8). In addition, the Housing Element contains numerous policies that encourage energy conservation and green building practices to minimize the environmental effects of growth and development in the city. These policies are provided under Goal HE-6 of the Housing Element (City of South Lake Tahoe, 2008).

Projected population growth and associated development would have potentially significant direct and indirect physical effects on the environment. These effects are addressed in the other technical sections of this Draft EIR (the reader is referred to Sections 4.1 and 4.3 through 4.14). The proposed policies listed above are intended to encourage smart growth within the city and otherwise reduce the anticipated environmental effects through green building incentives,

increased provision of public transit and pedestrian facilities, and the efficient expansion of public services and infrastructure. In addition, future growth would be focused in existing developed areas of the city where the natural environment has already been degraded.

Given that growth under the proposed General Plan Update would not be substantial in relation to existing development (anticipated to be a 9 percent increase in permanent population from existing conditions over the next 20 years) or growth trends of El Dorado County and would occur within existing developed areas of the city, this impact would be **less than significant**.

### Mitigation Measures

None required.

### **Displacement of People (Standard of Significance 3)**

**Impact 4.2.2** Implementation of the proposed 2030 General Plan Update would not result in the displacement of a substantial number of people or housing units in the Planning Area. This impact would be **less than significant**.

The proposed 2030 General Plan Update is a long-range policy document that would guide the growth and development of the city over the next 20 years, but does not include any specific development or redevelopment projects. As such, it would not directly result in the demolition or conversion of any housing units or otherwise displace any existing residents. The proposed General Plan does, however, contain policies that could allow for the future conversion of some motel units, or Tourist Accommodation Units (TAUs), located outside the community plan areas. These units would be converted to CFA and demolished to allow for the CFA to be transferred into one of the community areas as an incentive to develop new CFA in those areas. According to the City's Housing Element, a portion of these TAUs are utilized as long-term rental housing by seasonal workers and low-income families (City of South Lake Tahoe, 2008). Demolition of these TAUs could result in the temporary displacement of their residents.

While it is likely that some temporary displacement of residents may occur, the project does not require that any motel units be converted or demolished. Further, such conversions would not occur en masse in a short period of time; rather, conversions are anticipated to occur periodically over the next 20 years as a result of private development and are not likely to result in the displacement of a substantial number of residents at any one time.

In addition to the displacement of permanent motel unit residents, the proposed land use diagram and associated policies could result in further displacement of resident as development occurs throughout the city. Similar to motel unit conversions, such development would be expected to occur periodically over the next 20 years and would not be expected to result in the displacement of a substantial number of residents at any given time.

While the project could result in the periodic, short-term displacement of a limited number of city residents, it would also result in the development of up to 1,162 new residential units within the city. These new residential units would include up to 222 affordable housing units, including workforce housing. As such, the project would provide adequate replacement housing opportunities for potentially displaced residents. The environmental effects of the development of these housing units are addressed in the other technical sections of this Draft EIR (the reader is referred to Sections 4.1 and 4.3 through 4.14) as well as under Impact 4.2.1 above. As such, this impact is considered to be **less than significant**.

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### Mitigation Measures

None required.

### **Decrease Regional Housing Stock or Reduce Availability of Affordable Housing (Standards of Significance 4 and 5)**

**Impact 4.2.3** Implementation of the proposed 2030 General Plan Update would not result in a substantial decrease in the availability of housing, including affordable housing, within the city. This impact would be **less than significant**.

As discussed under Impact 4.2.2 above, implementation of the proposed General Plan Update is expected to result in changes in the land use mix within the Planning Area including the eventual demolition of some residential structures and reconstruction of new residential uses. Furthermore, the project is anticipated to result in the demolition of some existing motel units, a portion of which may be utilized as permanent rental housing for low-income families and seasonal workers. As such, a limited number of existing residents could be temporarily displaced as older housing and TAUs are demolished and/or replaced by new market-rate and affordable housing units. Ultimately, the proposed project would result in a net increase in the number of both market-rate and affordable housing units in the city by providing for the development of up to 1,162 new housing units (940 market-rate and 222 affordable units). The potential environmental effects of developing these new residential units are addressed under Impact 4.2-1 above as well as in the other technical sections of this Draft EIR (the reader is referred to Sections 4.1 and 4.3 through 4.14). This impact would be **less than significant**.

### Mitigation Measures

None required.

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