



To: Town of Truckee Planning Commission

From: Yumie Dahn, Principal Planner

RE: 2040 General Plan Implementation – Development Code Amendments for Deed-Restricted Housing Incentives - Continuation

Approved by: Denyelle Nishimori, Community Development Director

Recommended Action: That the Planning Commission adopt Resolution 2025-15, taking the following actions:



- 1) Recommending the amendments to be exempt from CEQA because the adoption of this ordinance is not a “project” pursuant to Sections 15060(c)(2) and 15060(c)(3) of Title 14 of the California Code of Regulations, and because under Section 15061(b)(3) of the State CEQA Guidelines, the amendments are exempt from the requirements of CEQA because it can be seen with certainty that the provisions contained herein would not have the potential for causing a significant effect on the environment; and
- 2) Recommending approval to the Town Council of Development Code Amendments to create a Deed-Restricted Housing Incentives ordinance and related clean-up amendments.

This item was continued from the November 18, 2025 Planning Commission meeting.

Project Summary: The Town of Truckee is proposing to amend the Development Code to implement the 2040 General Plan, which was adopted on May 9, 2023, and further the Town’s housing goals. The proposed Development Code amendments seek to implement 2040 General Plan Action LU-2.B (**Town of Truckee Workforce and Affordable Housing Density Bonus**), which directs the Town to “create a Town of Truckee-specific Workforce and Affordable Housing density bonus program that offers additional housing density and financial incentives for the creation of workforce and affordable housing units in targeted infill areas that meet the affordability needs of Truckee’s local workforce, particularly those who would otherwise be unable to afford housing within Truckee. Identify specific criteria to participate in this program.” Other amendments are proposed throughout the Development Code to help support the creation of the new housing incentives. The adoption of this Development Code amendment is intended to provide nonmonetary incentives to developers of deed-restricted housing projects. The Town Council will also be considering monetary incentives through the Homegrown Housing program (previously known as the Deed Restrictions for New Development Program) that may be used in conjunction with the proposed nonmonetary Development Code incentives.

Draft Planning Commission Resolution 2025-15 includes amendments to the following chapters:

1. Chapter 18.213 – Deed-Restricted Housing Incentives
2. Chapter 18.25 – Objective Design Standards, specifically Section 18.25.105 (Design Standards for Projects in the Historic Preservation (-HP) Overlay District)
3. Chapter 18.78 – Planned Developments

Additional related clean-up amendments are proposed in the following chapters:

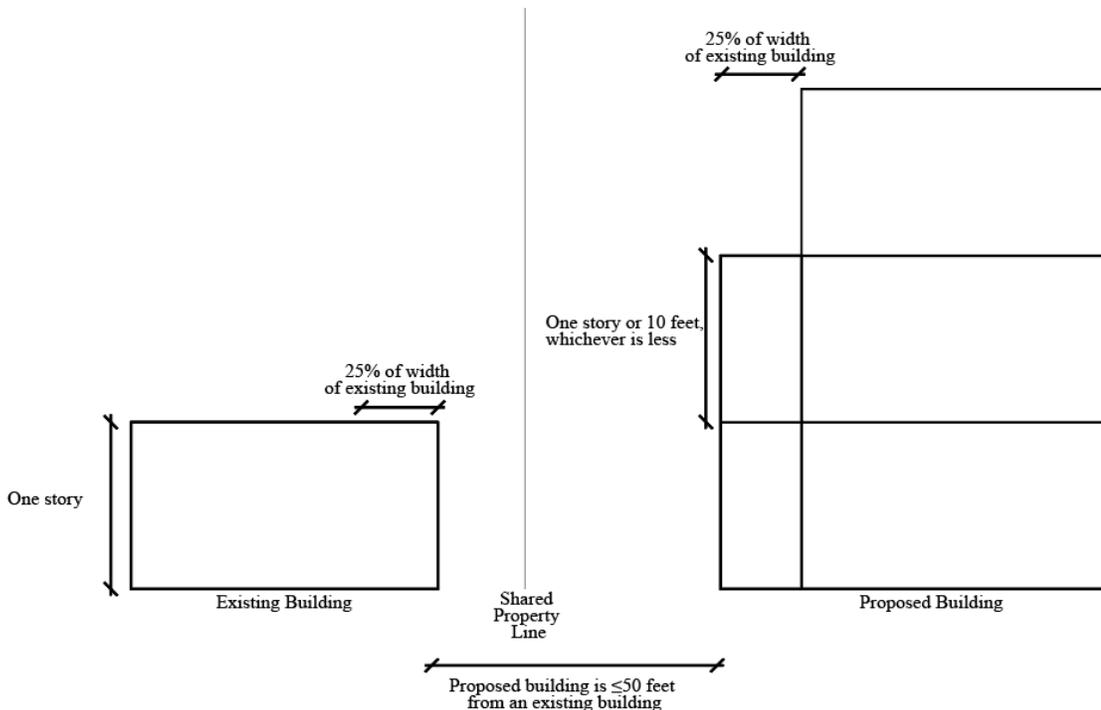
1. Chapter 18.58 – Standards for Specific Land Uses, specifically Section 18.58.140 – Mixed-Use Developments
2. Chapter 18.72 – Zoning Clearance
3. Chapter 18.74 – Development Permits
4. Chapter 18.77 – Historic Design Review
5. Chapter 18.79 – Streamlined Residential Review
6. Chapter 18.210 – Affordable Housing Controls
7. Chapter 18.214 – Inclusionary Housing, specifically Section 18.214.050.A – Location of Inclusionary Requirements)
8. Chapter 18.216 – Workforce Housing

November 18, 2025 Planning Commission Discussion and Draft Recommendations

The Planning Commission reviewed the proposed language and provided feedback at its November 18, 2025 meeting. Planning Commission Resolution 2025-15 is provided in Attachment #1; no changes have been made since the November meeting. Attachment #2 provides a link to the November 18, 2025 Planning Commission hearing. This staff report provides a detailed summary of the proposed changes. The item was continued to allow for further discussion of the proposed language. At the November meeting, the following recommendations were drafted by the Commission:

1. Recommendation to Council: Consider a 150% AMI Average for adults + 1.25 for single parents similar to the Rooted Rentals/Lease for Locals programs
2. Change the terms of deed restriction from “in perpetuity” to 55 years, with renewal of the deed restriction term length upon transfer
3. Take out 15% studio cap; consider monetary incentives for unit mix
4. Storage: Storage requirement should be applied to the whole development; 20-24 s.f. of storage is required per bedroom in the project, but the developer can allocate the storage as desired throughout the project.
5. Decks: Require that a minimum of 50% of the units have a 30 s.f. minimum deck, with a minimum dimension of four feet in any direction. The decks should be required to be equally distributed between deed-restricted and market rate units. The diagram should be updated to include language clarifying that the hatched area is considered a “private deck.”
6. Parking: Keep parking standard as-is
7. On-street parking: Planning Commission recommended that the on-street parking should be maintained by Town and not the private property owner.
8. Fully enclosed parking: Review covered parking language for clarity
9. Adjacent Development: Reword language and create diagram.
 - Proposed clarifying language:

New developments should be compatible with and responsive to the existing context of the project. Any time a development is proposed within 50 feet of an existing building, on an adjacent parcel, a proposed building cannot exceed the height of the adjacent building by more than one story or 10 feet, whichever is less, for 25% of the width of the existing adjacent building.
 - Proposed diagram showing building elevation from street:



10. Site Coverage: Increase site coverage for RM to 60%.
11. Open Space: Decrease open space requirement to be correlated to the site coverage increase in RM.
 - Staff recommendation: With the proposed increase of site coverage to 60% from 50% in RM zoning, staff recommends a decrease of open space from 30% to 20% in RM zoning. For projects on sites less than 0.5 acres in size in the RM zoning district, staff also recommends removing the requirement for open space.
12. Laundry: Increase ratio for laundry facilities to one per four units
13. Planned Developments: There were mixed opinions on Planned Developments. There was some interest in removing the limits on what flexibility can be requested but there was concern that if limits were removed, it may lengthen review.
14. Include language in the deed-restricted agreement to include monitoring of buildings for maintenance.
15. Add Flexible Design Review option within Deed-Restricted Incentives Chapter – all projects will be allowed Flexible Design Review even if a Planned Development is not requested
 - No HPAC review for deed-restricted housing incentive projects using objective historic design standards in program.
 - HPAC review for flexible design review option for deed-restricted housing incentive projects.
16. Grammatical corrections to be incorporated into the final recommendation language.

Since the recommendations are in draft form, Resolution 2025-14 has not yet been amended to reflect these changes. Proposed language is provided where the Planning Commission provided general direction but did not have specific changes to the standards or language. Resolution 2025-14 will be amended to reflect Planning Commission’s final recommendations before it is forwarded to the Town Council for consideration.

New Discussion: Density

Since the November meeting, staff has reviewed the potential proposed changes Planning Commission has discussed to-date. In consideration of the increased site coverage maximums being contemplated by the Planning Commission, in addition to the already proposed reduced parking requirements, staff believes that sites may be able to support additional density for some projects. Staff recommends that the Planning

Commission consider if an increase in the density bonus may be appropriate for projects proposing 100% deed restricted units. For projects with less than 100% deed restricted units, staff recommends retaining the 10% density bonus currently proposed. Increased density may help support the financial feasibility of the project and incentivize more deed-restricted units in a project. However, this increase in density should be weighed against the potential impact it may have on the mass and scale of projects, which may conflict with the community character goals of this program. If Commission elects to recommend an increase, the final resolution will be amended to reflect this change. Two potential options for a density bonus increase for 100% deed-restricted projects is described below:

- 25% Density Bonus: The Planning Commission could consider a density increase of 25% for 100% deed-restricted projects. A 25% density bonus increase would be similar to a project that is requesting a State Density Bonus that meets the minimum inclusionary housing requirements (15% affordable housing). Instead of requiring affordability for lower-income households, this program would allow for higher income restrictions and rental levels will be similar to that of market rate units. With this increase, a one-acre parcel zoned to allow 18 du/acre could propose anywhere between 18 residential units and 22 residential units.
- Dwelling Unit Equivalent: Alternatively, the Planning Commission could consider allowing use of the Dwelling Unit Equivalent (DUE) option to 100% deed restricted projects. Typically, the DUE density calculation is available in the RM (Medium Density Residential), DRM (Downtown Medium Density Residential), and DRH (Downtown High Density Residential) zoning districts, it is not available in mixed-use zoning districts. Under this program, the DUEs can be expanded to any project using the incentive program

In this option, studio units would be considered 0.5 units; one-bedroom units would be considered 0.67 units; and two-bedroom units could be considered 0.80 units. Units with three or more bedrooms would be considered one unit. Any combination of units equally the base density would be considered consistent with the zoning.

The DUE option creates the potential of doubling the allowed density of the site if only studio units are proposed. While staff believes the flexibility of the DUE could be beneficial to the developer, it could have implications to the mass and scale of the building and the operations of the building. Further, the DUE program could incentivize the development of studio units, which are already desirable to developers. Examples of how the DUE could be applied on a one-acre parcel zoned to allow 18 du/acre are as follows:

- The base zoning allows for 18 dwelling units. A developer can propose a project with 18 units.
- Examples of unit distribution in a project that would comply with the DUE density are as follows:
 - A maximum of 36 studio units could be proposed.
 - 28 units, with 4 studios, 10 one-bedroom units, and 11 two-bedroom units (17.5 DUEs).
 - 27 units, with 6 studios, 6 one-bedroom units, 7 two-bedroom units, and 2 three-bedroom units (17.6 DUEs).
 - 26 one-bedroom units (17.4 DUEs).
 - 22 two-bedroom units (17.6 DUEs)

If the Planning Commission would like to recommend inclusion of use of DUEs as an option in the program, staff recommends that the Commission also consider a maximum percentage of studio units (e.g., the project can have up to 40% studio units) to encourage a mix of unit types.

In either option, staff believes that a tiered density bonus that incentivizes more deed restricted unit is consistent with the intent of the program.

Discussion Topics for the January 20, 2026 Planning Commission Meeting

In addition to the draft recommendations above, the potential topics below have been identified by the Planning Commission for discussion at this January meeting. This list is based on the discussion at the November meeting and communication with members of the Planning Commission after the hearing:

1. Setbacks
2. Stepbacks
3. Massing
4. Material variation
5. Tahoe Donner Plan Area
6. Timing of deed-restricted units
7. Type of deed-restricted units v. market rate
8. Historic Design Standards
9. Covered Parking
10. Parking quantity – circle back around
11. Eligibility for seniors

This list of topics is intended to provide guidance to the Planning Commission; however, the Planning Commission may modify this list, as needed.

Next Steps

Following this Planning Commission hearing, the Commission's recommendations will be forwarded to the Town Council for consideration in early 2026.

Environmental Review: The proposed Development Code amendments were assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the Town. The amendments are not subject to CEQA because the adoption of this ordinance is not a "project" pursuant to Sections 15060(c)(2) and 15060(c)(3) of Title 14 of the California Code of Regulations. Moreover, under Section 15061(b)(3) of the State CEQA Guidelines, the amendments are exempt from the requirements of CEQA because it can be seen with certainty that the provisions contained herein would not have the potential for causing a significant effect on the environment.

Public Communication: In addition to the standard noticing of the agenda, a display ad was published in the *Sierra Sun* on November 7, 2025 ahead of the November Planning Commission meeting. While the meeting was continued to a date and time certain and does not require additional noticing, an additional display ad was published in the *Sierra Sun* on January 9, 2026.

Attachments:

1. Planning Commission Resolution 2025-15 (Draft)
 - Exhibit A – Development Code Amendments (the new Deed-Restricted Housing Incentives Chapter is in Article VII and starts on Page VII-34.
2. November 18, 2025 Planning Commission Meeting
 - Staff Report: <https://portal.laserfiche.com/Portal/DocView.aspx?id=59897203&repo=r-6a91ddbc>
 - Draft Minutes: Part of this agenda packet