



Date: September 23, 2025

Honorable Mayor and Council Members:

Author and title: Yumie Dahn, Principal Planner

Title: **7th Cycle Housing Element Kick-off**

Jen Callaway, Town Manager

Recommended Action: That the Town Council receive a presentation on the 7th Cycle Housing Element timeline, Draft Regional Housing Needs Allocation (RHNA), status of the Housing Element site inventory, and public engagement strategy and provide direction to staff.

Discussion: The Housing Element is one of seven required elements of a General Plan and the only element that is required to be certified by the State of California. The California Department of Housing and Community Development (HCD) reviews and certifies housing elements. A Housing Element is required to have the following components:

- Review of previous element
- Housing needs assessment based on the HCD's analysis of the Regional Housing Needs Allocation (RHNA). The RHNA is a state-mandated process where the State quantifies the need for housing for each local jurisdiction; the Town is then tasked with ensuring that there is enough land zoned for the required residential density.
- Inventory and analysis of adequate sites to meet RHNA requirements
- Analysis of potential governmental and non-governmental constraints
- Housing policies and programs
- Quantified objectives

The Town of Truckee's 6th Cycle Housing Element, adopted in 2019, applies to the 2019-2027 planning period. In order to ensure compliance with State law, the Town is required to adopt and certify an updated Housing Element by May 15, 2027 for the 2027-2035 planning period (7th cycle). State law requires that HCD review and certify the Housing Element, which requires a 90-day HCD review period and potential revisions and subsequent 60-day reviews. The length of HCD's review period requires that the Town begin work early on the update to ensure that the Housing Element is adopted by the May 15, 2027 deadline. Failure to adopt a certified Housing Element by this date would put the Town at risk of being ineligible for grants and being stripped of local review authority over housing projects. Staff notes that, previously, the Town was under the assumption that the adoption deadline would be aligned with the end of the current planning period on August 15, 2027. We have since learned that the 7th cycle planning period will begin on May 15, 2027, which has resulted in an earlier-than-anticipated deadline.

On June 25, 2025, the Town Council authorized a contract with Ascent Environmental (Ascent) to provide consulting services to help with drafting and adoption of the Housing Element. Since authorization of the contract, Ascent has created a timeline for the Housing Element, reached out to HCD to request the draft RHNA determination, and identified next steps.

The purpose of this meeting is to kick-off the Housing Element with Town Council and community, and present the timeline, draft Regional Housing Needs Allocation and sites inventory, and present public engagement ideas for Council's consideration.

Timeline

While the Housing Element is required to be adopted by May 15, 2027, HCD requires two reviews, one 90-day review of the public review draft and a second 60-day review once revised based on HCD comments. The two review periods create a tight timeline. Staff and the consultant team believe that in order to meet the required adoption timeline, the Town should submit the draft Housing Element to HCD by July 2026. This means that the bulk of the work for the Housing Element will occur in the next nine months. During these nine months, staff and the consultant will be gathering demographic and background information, reviewing the available residential sites, identifying sites for rezoning, reviewing housing policies and programs, analyzing the Town's existing regulations, and conducting outreach. Figure 1 shows the anticipated timeline for successful adoption of the Housing Element.

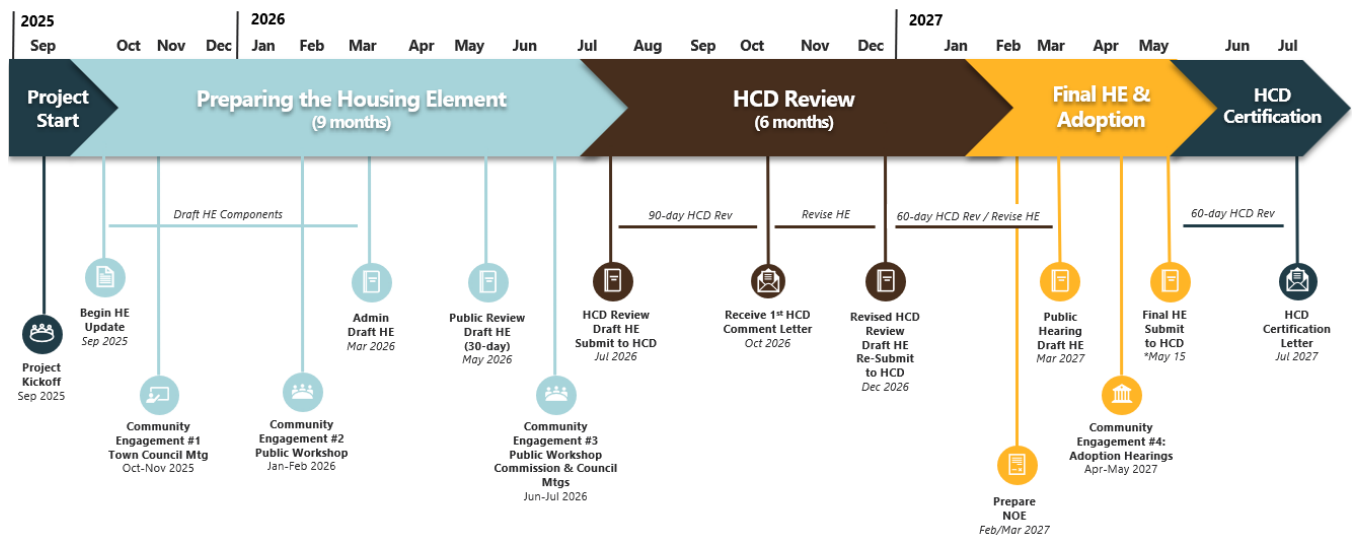


Figure 1: 2027-2035 Housing Element Adoption Timeline

Key dates include the following:

- Release of the Public Review Draft in May 2026
- Submit draft to HCD in July 2026
- Final Housing Element adoption hearings in March 2027

As noted previously, meeting the adoption deadline is of the highest importance and all efforts will be made to ensure that the Housing Element is adopted and certified on time.

Regional Housing Needs Allocation

One of the most impactful and time-intensive components of the Housing Element process is addressing the Regional Housing Needs Allocation. The Regional Housing Needs Allocation (RHNA) is a multi-step process that is used to plan for housing needs in each region of California. Since 1969, California has required that all local governments (cities and counties) adequately plan to meet the housing needs of everyone in the community. This process starts with HCD determining how much housing, at a variety of affordability levels, is needed for each region in the state. Then, for Truckee, HCD develops a methodology to allocate that housing need to Nevada County and its cities. Once the allocation is identified, local governments are required to identify adequate sites with the appropriate zoning to meet the required housing needs. On September 4, 2025, the Town received HCD's draft RHNA determination (see Table 1).

Table 1: 2027-2035 Regional Housing Need Determination

Nevada County							
Jurisdiction	Acutely Low	Extremely Low	Very-Low	Low	Moderate	Above-Moderate	Total
Nevada County Region Total	597	621	904	1,125	1,382	2,437	7,066
City of Grass Valley	120	116	162	225	283	479	1,385
City of Nevada City	44	37	60	70	57	157	425
Town of Truckee	115	136	223	230	311	519	1,534
Unincorporated Nevada County	318	332	459	600	731	1,282	3,722

For reference, the Town’s 2019-2027 Regional Housing Need Determination is shown in Table 2.

Table 2: 2019-2027 Regional Housing Need Determination

	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Total
2019-2027 RHNA Need	187	140	128	300	755

While the RHNA determination is in draft form, it is highly unlikely that the quantities will change. While the Town could object to the methodology and adjustments that were used to create the RHNA numbers, the consultant has noted that the process is challenging and laborious with a minimal chance of significant change. The consultant and staff do not recommend going down this path.

In order to accommodate the RHNA, the Town will be reviewing the existing available land to determine if there is sufficient capacity to accommodate the 1,534 units, as required by the State. Sites will be considered allocated for acutely low, extremely low, very low, low, moderate, and above moderate income based on density of the site. If the existing zoning on residential parcels do not meet the required RHNA demand, the Town will be required to identify candidate sites to rezone to meet the required RHNA need. The rezones to meet the RHNA are required to be completed within three years of adoption of the Housing Element.

For reference, as part of the current 6th Cycle Housing Element, the Town identified 21 sites that would accommodate a total of 1,491 units (782 lower income units, 462 income units, and 247 above-moderate income units) to meet the 755 unit RHNA requirement. Figure 2 shows the identified housing site locations in the 2019-2027 6th Cycle Housing Element. Table 3 shows the list of the available sites for residential use and the status of each of the parcels as they exist today. While some of the parcels can continue to be used in the 7th Cycle Housing Element, many of them have been entitled or constructed which remove them from the available residential sites inventory. Further, any sites that have a Planning application currently under review may be required to use the unit quantities and affordability criteria identified in the project description rather than the maximum density allowed for the property. Any remaining sites in the inventory and any new sites identified for residential use will be required to be evaluated based on density and any existing environmental or governmental constraints to determine carrying capacity of each site.

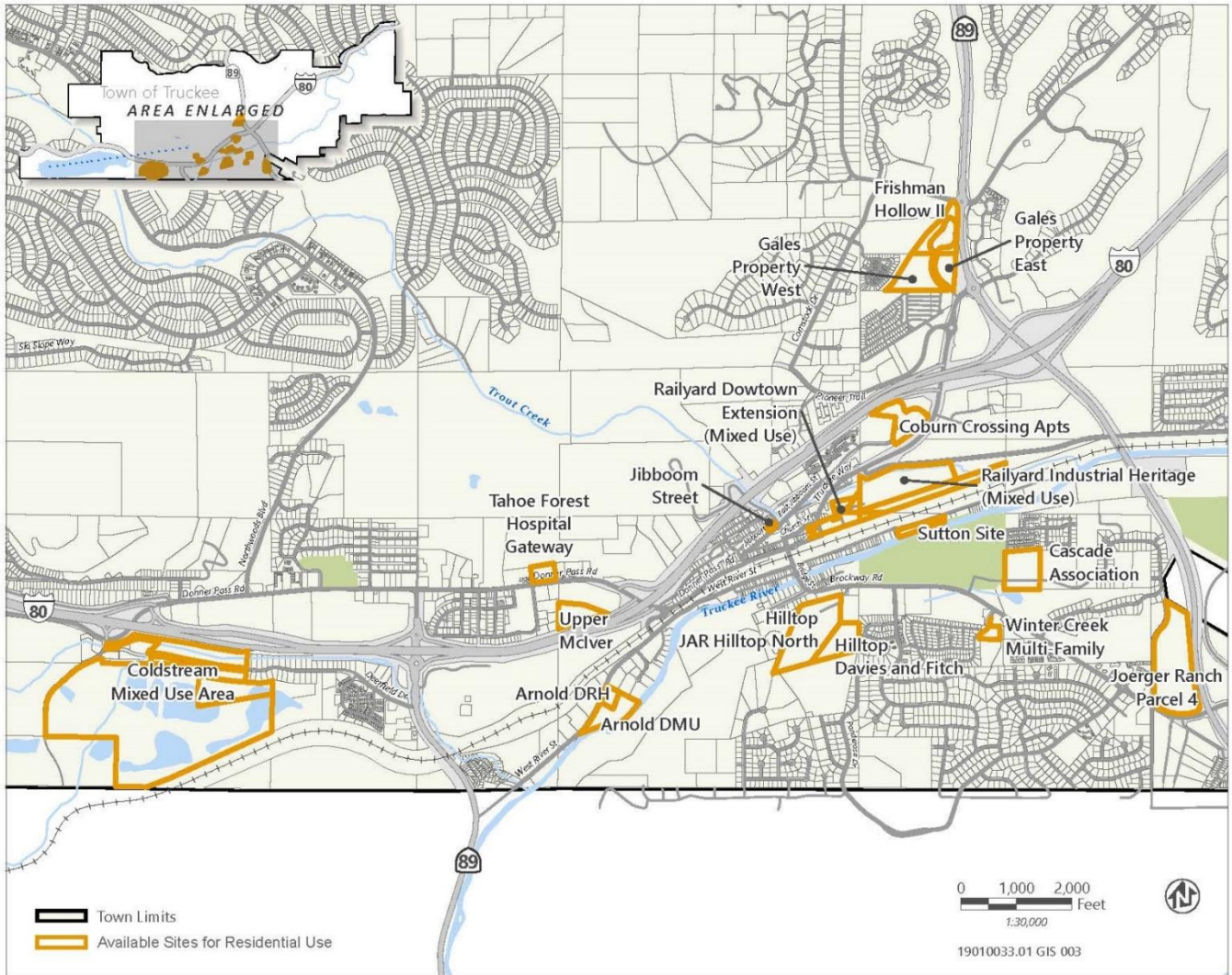


Figure 2: Available Sites for Residential Use in the 2019-2027 6th Cycle Housing Element

Table 3: List of Available Sites for Residential Use and Status for 2027-2035 7th Cycle Housing Element

#	Site Name	Identified Capacity in 6 th Cycle Housing Element by Income Category	Notes
1	Arnold DMU	45 lower income	This site remains available and would be considered for rezoning under actions items in the R3 Playbook. A re-review of the constraints is anticipated.
2	Arnold DRH	27 lower income	This site remains available and would be considered for rezoning under actions items in the R3 Playbook. A re-review of the constraints is anticipated.
3	Tahoe Forest Hospital Gateway	30 moderate income	This site remains available and the 2040 General Plan increased the potential density. A re-review of the constraints is anticipated.
4	Winter Creek Multi-Family	25 lower income*	A project on this site has been entitled and will likely be removed from the available inventory.

#	Site Name	Identified Capacity in 6 th Cycle Housing Element by Income Category	Notes
5	Railyard – Downtown Extension (Mixed Use)	131 lower income	One project has been approved in this area (Artist Lofts). The remainder of the Downtown Extension remains available for development.
6	Railyard –Trout Creek	85 moderate income	A Planning application has been submitted on this site. 49 residential units are proposed. The total capacity for the site may be reduced due to the pending application.
7	Railyard – Industrial Heritage (Mixed Use)	200 lower income	A Planning application has been submitted on this site. 108 residential units are proposed. The total capacity for the site may be reduced due to the pending application.
8	Joerger Ranch Parcel 4	80 lower income	This site remains available.
9	Coldstream - Lakeside Residential	112 above moderate income	This site remains available.
10	Coldstream - Village Green Residential	97 above moderate income	This site remains available.
11	Coldstream Village Mixed Use Commercial (Mixed Use)	38 above moderate income	A portion of these sites have been constructed but the remainder remains available.
12	Upper Mclver	88 lower income	This site remains available
13	Jibboom Street	3 moderate income*	A project on this site has been entitled and will likely be removed from the available inventory.
14	Frishman Hollow II	50 moderate income*	A project on this site has been constructed and will likely be removed from the available inventory. 67 lower income units and one manager's unit was constructed.
15	Sutton Site	21 lower income sites	The western parcel has been sold and a Planning application has been submitted on this site. The application includes 13 residential units.
			The eastern portion of the site remains available.
16	Cascade Association	24 moderate income*	A project on this site has been entitled and may be removed from the available inventory. 30 lower income senior housing units were approved.
17	Hilltop - JAR Hilltop North	88 lower income	This site remains available.
18	Hilltop - Davies and Fitch	94 moderate income	This site remains available.
19	Gales Property East	42 moderate income	This site remains available, though there is speculative interest on this site.
20	Gales Property West	97 moderate income	This site remains available, though there is speculative interest on this site.
21	Aspen Meadows	37 moderate income	This site remains available.

*The actual entitled or constructed unit counts are higher than the original capacity identified in the 6th Cycle Housing Element.

Based on the current status of projects, there are approximately 960 available residential units (415 low income, 336 moderate income, and 209 above moderate income) from the 6th Cycle Housing Element housing site. However, capacities for each site will be re-reviewed and consideration of environmental and regulatory constraints may alter the potential capacity of each site.

Public Engagement

In order to provide the community with opportunities to engage in the Housing Element discussion and to inform property owners of potential rezones to their property, staff are proposing a multi-tiered public engagement process. The majority of the outreach will be conducted in the first nine months. The consultant has notified staff that once HCD reviews a draft, changing policies and programs could require the review process to restart which would alter the timeline and delay the process. Therefore, staff emphasizes the importance of identifying potential Housing Element programs and policies early in the process. Staff are anticipating the following key dates for formal Town Council and Commission review (see Figure 3 for where these dates fall in the larger process timeline).

- **September 23, 2025:** Housing Element Council Kick-off Presentation. This presentation is not shown in Figure 3.
- **November 2025:** Tentative Council/Commission joint meeting to review housing capacity and potential rezone sites (Figure 3 shows this as a Council-only meeting).
- **February 2026:** Council discussion on potential policies and programs.
- **June 2026:** Council/Commission joint meeting public review draft.
- **April/May 2026:** Adoption meetings for Council and Commission

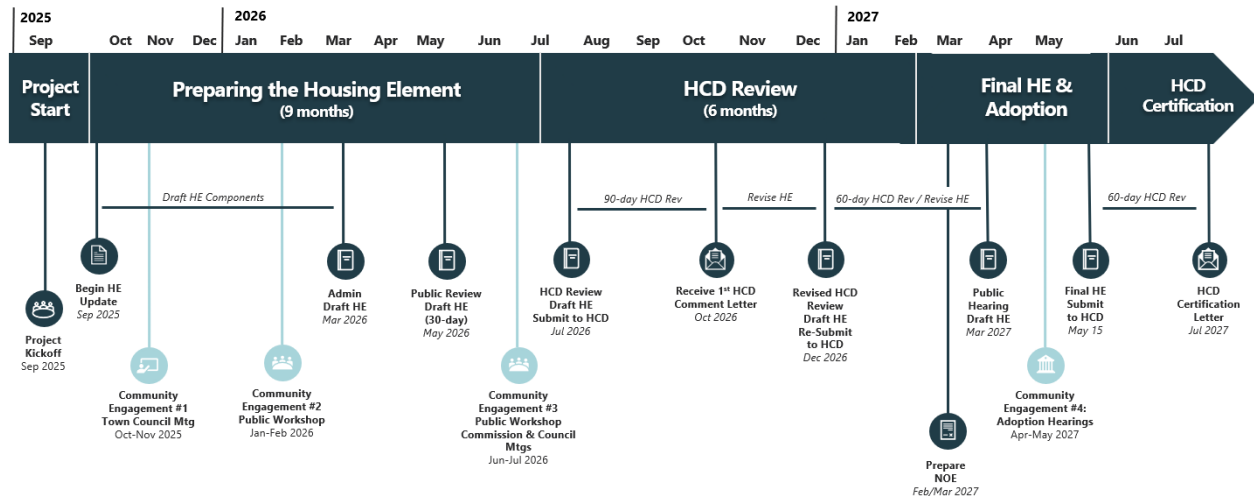


Figure 3: Town Council and Planning Commission Formal Outreach

In addition to the above formal public meeting, staff are considering the following community level outreach options:

- **Interactive Map** – Once staff determines how much additional density the Town needs to plan for in the coming Housing Element cycle, staff will work with the consultant team to identify potential sites that could accommodate additional density. Based on the outcomes, staff could develop an interactive map of these sites with the help of the Geographic Information Services (GIS) Division to help the community understand which sites are being considered, potential changes in density, and potential housing capacity.

- Pre-recorded presentations – Through the 2040 General Plan outreach process staff found that pre-recorded presentations allow the community to learn and interact on their own time. Staff are considering creating at least two pre-recorded presentations to introduce the community to the purpose of the Housing Element and to help the community understand the future housing sites inventory, potential rezones, and potential programs.
- Work with the Inclusion, Diversity, Equity, & Accessibility (IDEA) Program Analyst – Staff also anticipates building off the robust outreach conducted through the Housing Equity Framework development process and the ongoing outreach the IDEA Program Analyst. Staff will work with the IDEA Program Analyst to create an outreach program.
- Partner Agencies – Staff also anticipates reaching out to partner agencies to let them know the Town is kicking off the Housing Element and may need to consider rezoning properties.
- Community event – Outside of the formal hearings, staff anticipates that the Town will hold a community event to invite the public to hear about the Housing Element and potential rezones and programs.
- Property owner outreach – Once staff identifies potential candidate residential sites, staff will reach out to affected property owners to engage them in the process and help them understand the potential impacts to their properties.

The Town Council should review the outreach options and provide direction to staff. The Council may wish to prioritize the options, add more meetings or events, identify groups that should be specifically engaged, or provide new ideas. Staff’s goal is to create a streamlined and targeted outreach process that is meaningful for the community and informational to policy development, while ensuring the Town is on time with the adoption of the Housing Element.

Priority:

<input type="checkbox"/> Enhanced Communication	<input type="checkbox"/> Climate and Greenhouse Gas Reduction	<input checked="" type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input type="checkbox"/> Core Service

Fiscal Impact: The Ascent contract would be paid out of the Housing Element CIP C2505, which includes a \$281,000 budget in the 2025/2026 budget, which was adopted by the Council on June 10, 2025 under Resolution 2025-42. Additional costs include staff time to manage the consultant, coordinate public engagement, and make presentations to the Planning Commission and Town Council. Staff anticipate a significant amount of staff time to be used in the next nine months to develop the 7th Cycle Housing Element. All staff time will be charged to the General Fund.

Public Communication: Standard Town Council agenda posting.