

Chapter 13 - SOCIO-ECONOMICS

Figure 13-1. Pathway Recommendations for Socio- Economics

SOCIO-ECONOMICS VISION

There is a sustainable balance between environmental protection and conservation practices that provide the basis for the region's unique natural characteristics, a base recreation and tourism economy, other diverse economic sectors, attractively built communities, diverse social populations, and an exceptional quality of life. The Lake Tahoe Basin is an international model for sustainable alpine communities that applies the best known practices in economic development, environmental protection, regulatory and planning process, community design, and inclusive resident and visitor communities.

Proposed Desired Conditions

1: Sustainable Economy

The economy has sustainable employment and earnings to capitalize on the base recreation/ tourism sector. Opportunities for economic diversity and revitalization are developed.

2: Housing Opportunities

There are housing opportunities for full-time and seasonal residents, with attention to workers employed within the Lake Tahoe Basin.

3: Town Centers

The Lake Tahoe Basin has pedestrian-friendly town centers with diverse businesses and public services co-located with efficient non-auto oriented transportation options.

4: Social Communities

Tahoe is a stable socially-diverse community, with opportunities for locally-owned businesses, a strong educational system, visual and performing arts, cross-cultural events, and an active and responsible community.

5: Regulatory Framework

There is a responsive, effective and user-friendly regulatory framework with consistency across all federal, state, and local regulatory agencies for all projects.

Proposed Indicators

1. Wage and earnings index (type II)
2. Business Tenure (type II)
3. Seasonal/Yearly employment ratio (Type II)
4. Employment Rates
5. Tourism Index (type II)
6. Business Diversity Index (type I)

1. Housing Stock Index (type II)
2. Median Housing Index (type II)
3. Median Rental Rate (type II)
4. Seasonal Housing Index (type III)
5. Resident Housing Index (type III)

1. Transit oriented development Index (type III)
2. Public Space (type II)
3. Public Transportation Utilization (type III)
4. Commercial Core Index (type III)
5. Design and Development Standards Index (type II)
6. Interpretive Information (type II)

1. Stable Healthy Socially-Diverse Communities (type II)
2. Community Involvement (type III)
3. Business Ownership Index (type II)
4. Education Index (type II)
5. Culture Index (type III)
6. Recreational Index (type II)

1. Public Perception Indicator (type II)

No Standards are proposed at this time

13.0 Socio-Economics Overview

Socio-Economics (SE) is unique among Pathway 2007 resource areas. The Socio-Economic resource area encompasses a wide range of issues including state of the Lake Tahoe Basin's economy, housing, community design, and the social well-being of the residents (how people in the Lake Tahoe Basin live, work, and interact). The inclusion of Socio-Economics is necessary to understanding the linkage between environmental regulation, economic activities and the community. To date there has been little formal research and analysis of SE topics and issues on a basin-wide scale. In order to provide more informed management and policy development, it is critical to understand the dynamics of Lake Tahoe Basin's social and economic environments.

Developing a comprehensive understanding will require extensive data collection and analysis. In the development of appropriate indicators, additional research beyond readily available county-level data is necessary to properly represent the various Lake Tahoe Basin communities. Given limited previous analysis, this will be a considerable task to accomplish. As a starting point for facilitation, the Pathway agencies have identified the major issues relating to socio-economics. Due to the size and diversity of issues identified through the Pathway process, further work will be required to properly address these issues.

The Tahoe Basin is influenced by a number of factors both within the region, and outside. Several influencing factors must be considered and analyzed when discussing the socio-economic environment of the Lake Tahoe Basin.

- **Part-time residents:** Communities in the Lake Tahoe Basin include large numbers of part-time residents who are likely to have a substantial influence on socio-economic conditions. Part-time residents in the Lake Tahoe Basin include very distinct groups: a relatively high-income group associated with the many vacation homes located within the Lake Tahoe Basin; and a second group that includes the relatively lower-income wage earners, consisting primarily of seasonal workers in the tourism and recreation industry.
- **Regional Growth:** Significant population shifts are occurring in the surrounding regions of Northern California and Nevada. The suburban regions of both Sacramento and San Francisco continue to grow, as well as the over-all populations of Reno and Carson City. These demographic and geographic changes will impact travel to and within the Lake Tahoe Basin.
- **National Economy:** As a tourism based economy, the Tahoe Basin is responsive to significant changes in the country's over-all economic trends. Economic performance, strength of the dollar and gas prices will affect the disposable income of Americans to which leisure activities are ultimately tied.

13.1 Socio-Economics Vision

Socio-Economics Vision

There is a sustainable balance between environmental protection and conservation practices that provide the basis for the region's unique natural characteristics, a base recreation and tourism economy, other diverse economic sectors, attractively built communities, diverse social populations, and an exceptional quality of life. The Lake Tahoe Basin is an international model for sustainable alpine communities that applies the best known practices in economic development, environmental protection, regulatory and planning process, community design, and inclusive resident and visitor communities.

Achieving the over-all socio-economic vision and identified desired conditions will require the resource and expertise of a large number of organizations and governments. While all roles and responsibilities have yet to be identified, the Pathway partnering agencies have focused their efforts on the desired conditions to which they have the most influence.

13.2 Need For Change

13.2.1 Existing Socio-Economic Desired Conditions, Indicators and Standards

Through initial work conducted by the Socio-Economic Technical Working Group (SETWG) and Forum review, Desired Conditions have been identified and framed (see Figure 13-1). Indicators to measure these desired conditions have been proposed. However, further analysis and development is necessary to ensure that the final set of indicators provide an efficient monitoring system to evaluate the success of management strategies in achieving Desired Conditions.

Given the number and variety of communities in the Lake Tahoe Basin, it would be extremely difficult to establish a set of uniform values that encapsulates the needs of all stakeholders within the Lake Tahoe Basin. It is therefore recommended that no standards be established at this time. Rather, given the Desired Conditions identified by the SETWG, Pathway Forum and community input, appropriate levels of social and economic themes should be determined by the local communities themselves.

Initiated through Pathway, a separate process will be developed to continue the dialogue regarding the monitoring and addressing socio-economic issues. Issues for discussion will include the roles and responsibilities of Lake Tahoe Basin government agencies and organizations, further development of social and economic indicators and the formation of a separate entity to facilitate implementation and monitoring,

The indicators presented in the evaluation report are recommendations developed by the Socio-Economic Resource Core Group to initiate the discussion. Several of these indicators have been identified by the Resource Core Group as being important to their individual agencies. However, a comprehensive list will require further vetting and refinement.

13.2.2 Public Input

The Socio-Economic Resource Core Group (SECG) and the Socio-Economic Technical Working Group integrated findings from Public Visioning Workshops (January 2005), other community workshops as well as findings derived from a public opinion survey in this summary report.. The Socio-Economic recommendations are consistent with a desire for balance between environmental quality and economic well-being. Public comments are largely characterized by the following recommendations:

- Balance the need for a healthy environment and healthy economy and communities;
- Acknowledge the realities of the tourism economy;
- Encourage redevelopment while retaining some of the Tahoe rustic feel;
- Increase access to Lake Tahoe;
- Provide for affordable housing;
- Look at demographic trends;
- Develop and maintain an equitable permitting process; and
- Create sustainable, livable communities.

13.3 Desired Condition 1: Sustainable Economy

13.3.1 Proposed Indicators for Sustainable Economy

Economic Sustainability as it relates to the desired condition is the economies ability to persist through significant economic downturns both generally and industry specific. In addition it is desired that the economy provide for a variety of jobs and wages. The proposed indicators for DC 1 provide a measure the general economic conditions within the Basin, those specific to industries related to tourism, and a measure of diversity.

Proposed Indicators for Sustainability and Diversity

1. Wage and earnings index (type II)
2. Business Tenure (type II)
3. Seasonal/Yearly employment ratio (Type II)
4. Employment Rates
5. Tourism Index (type II)
6. Business Diversity Index (type I)

13.3.2 Current Conditions Related to Economic Sustainability and Diversity

Current conditions indicate that the primary source of economic activity in the Lake Tahoe Basin is generated by the following businesses related to tourism:

- Accommodation and food services (includes casino hotels and the associated gaming activity);
- Retail trade;
- Arts;
- Entertainment; and
- Recreation.

13.3.3 Technical Range of Feasibility Regarding Economic Sustainability

Developing a sustainable economy within the Lake Tahoe Basin will require diversification of industries. There are significant limitations to diversifying the current tourism focused economy. Due to strict environmental regulations and valued resources of the Lake Tahoe Basin, the number of industrial and commercial business types allowed is significantly limited. Further, due to the natural geology and weather of the Lake Tahoe Basin transportation costs are significantly higher than other regions. However, due to increased mobility associated with computing power and the internet, more professional service oriented businesses are able to locate from alternative locations. By targeting professional service industries, it may be technically feasible to diversify the Lake Tahoe economy.

13.3.4 Proposed Desired Condition and Standard for Sustainable Economy

This desired condition statement focuses on the mechanics of the regional economy, with particular emphasis on sustainability, economic diversity, and revitalization. There has been varying opinions on the terms redevelopment or revitalization. Since no consensus on the issue was reached and the legal connotation (at least within California local jurisdictions) of redevelopment can be problematic, the proposed language remains. Note that at the November 10 Forum meeting several standard definitions of sustainable economy were presented and should be regarded as the best and most complete definitions for the term in this document.

As with all of the socio-economic desired conditions, Sustainable Economy is not a threshold resource and therefore no standards are proposed at this time. Further discussions are required to develop roles, responsibilities and baseline information for this resource area.

Proposed Desired Condition 1: Sustainable Economy

The economy has sustainable employment and earnings to capitalize on the base recreation/tourism sector, seek opportunities for economic diversity, and revitalization

Proposed Standards for Sustainable Economy

None proposed at this time

13.4 Desired Condition 2: Housing Opportunities

13.4.1 Proposed Indicators for Housing Opportunities

The proposed indicators attempt to measure the diversity of housing options within the Lake Tahoe Basin. Important measures related to housing include the affordability of housing, diversity in type of housing, and opportunities for both residents and visitors.

Proposed Indicators for Housing Opportunities

1. Housing Stock Index (type II)
2. Median Housing Index (type II)
3. Median Rental Rate (type II)
4. Seasonal Housing Index (type III)
5. Resident Housing Index (type III)

13.4.2 Current Condition and Trend for Lake Tahoe Basin Housing

Completed by TRPA in February 1997 (the most recent housing study of the region), the *Affordable Housing Needs Assessment: Final "Fair Share" Report*

concluded that the Lake Tahoe Basin clearly has a need for more affordable¹ housing. A more recent assessment of housing in the North Lake Tahoe community (*Sustainable Housing Subcommittee Truckee-North Tahoe*

Leadership Program Indicators Project, May 25, 2005) indicates a broad gap between the median cost of a single-family residence and the income needed to purchase such a home.

13.4.3 Technical Range of Feasibility Regarding Housing Opportunities

Due to the increased demand for second and seasonal rental homes, real estate prices have increased significantly over the past ten to fifteen years. Although incentive programs exist, few actual affordable and moderate income housing projects have been developed. To diversify and increase the stock of housing available to low and moderate income households, great financial and regulatory incentives will be required.

13.4.4 Proposed Desired Condition and Standards for Housing Opportunities

An important point expressed during the SETWG meetings and Place-based public workshops is that there are insufficient housing options for low waged workers in the Lake Tahoe Basin. In addition to the workforce, initial concerns were related to the outward migration of middle income year round residence. It has also been recognized that tourism will continue to be a vital part of the Lake Tahoe Basin economy and that the housing stock must meet the demand for a variety of residence

Housing issues are addressed by multiple governing bodies within the Lake Basin. Many housing programs are operated by local jurisdictions, but the Tahoe Regional Planning Agency is directly involved in the permitting and control of housing growth as well as providing incentive programs. Because roles and responsibilities have not been clearly defined for housing related issues, and the subject is not a threshold resource, no standards exist or are proposed at this time.

Proposed Desired Condition 2: Housing Opportunities

There are housing opportunities for full-time and seasonal residents, with attention to workers employed within the Basin.

Proposed Standards for Housing Opportunities

None proposed at this time

¹ Affordable housing in this instance is defined as that which can be feasibly purchased by those households classified in the low to median income brackets.

13.5 Desired Condition 3: Town Centers

13.5.1 Proposed Indicators for Town Centers

The proposed indicators will measure the qualitative nature of the Desired Condition. Note that for most of the indicators data will be available through permit information, site review surveys or ocular data collection. Collectively, these indicators should provide an understanding of the degree to which an area would meet the Desired Condition for Town Centers.

Proposed Indicators for Town Center Design

1. Transit oriented development Index (type III)
2. Public Space (type II)
3. Public Transportation Utilization (type III)
4. Commercial Core Index (type III)
5. Design and Development Standards Index (type II)
6. Interpretive Information (type III)

13.5.2 Current Condition and Trend for Town Centers

Until recently, the Lake Tahoe Basin urban development patterns have been characterized by strip commercial development and traditional zoning. However, the Tahoe City Community Improvement Project, the South Lake Tahoe Heavenly Base Village, and the proposed Kings Beach Community Improvement Project indicate a trend toward place-based planning and innovative design. These trends and further input through the Pathway process indicate a desire for continued community center enhancement, redevelopment focused on alternative planning ideas such as multiple use zoning and multi-modal access, and design standards that create a sense of place.

13.5.3 Technical Range of Feasibility Regarding Town Centers

To achieve the desired condition of Town Centers, considerable redevelopment will have to occur in the urban core areas of Lake Tahoe. Both public and private investment and a collaborative planning process will provide for more area wide redevelopment, rather than parcel by parcel. Renewal of urban areas has been identified as a key component to the TRPA Regional Plan Update. Building

codes and incentive programs will be developed to target the type of development described in the desired condition.

13.5.4 Proposed Desired Condition and standards for Town Centers

The Desired Condition for Town Centers principally addresses qualitative “sense of place” issues and the associated character of the regions community and commercial centers, while the desire for mixed use development co-located with transportation options has been reinforced.

Due to the qualitative nature of this desired condition, it is difficult to establish a standard or baseline. Additionally, values and design of town centers will vary by community. No standards are currently proposed for the desired condition and indicators for Town Centers.

Proposed Desired Condition 3: Town Centers

The LakeTahoe Basin has pedestrian-friendly town centers with diverse businesses and public services co-located with efficient non-auto oriented transportation options.

Proposed Standard for Town Centers

None proposed at this time

13.6 Desired Condition 4: Social Communities

13.6.1 Proposed Indicators for Social Communities

The proposed indicators for Social communities attempt to capture the various components stated in the Desired Condition. There are a number of indicators that are commonly used to measure community characteristics such as crime rates and school enrollments. The proposed indicators attempt to capture the broader trends described in the desired condition, above more commonly used community indicators.

Proposed Indicators for Social Communities

1. Stable Healthy Socially-Diverse Communities (type II)
2. Community Involvement (type III)
3. Business Ownership Index (type II)
4. Education Index (type II)
5. Culture Index (type III)
6. Recreational Index (type II)

13.6.2 Current Condition and Trend for Sustainable Communities

Sufficient quantitative data still needs to be collected to provide a clear and comprehensive understanding of the current conditions in Lake Tahoe Basin communities. Input from SETWG members and various localized studies suggest a decline in the total year round population. Shifts in population trends will have significant impacts on social characteristics such as community identity, school enrollment and public services.

13.6.3 Technical Range of Feasibility Regarding Social Communities

Social Communities is a result of several different factors and desired conditions. In order to provide a socially diverse population, the local economy should provide employment opportunities that vary in both industry and wage rate. Adequate and affordable housing options for local employees increases the number of households available to participate in community activities, retain a larger portion of wages in the economy, and maintain student populations. Population support through civic programs, cultural events and gatherings, as well as community amenities will help achieve sustainable communities.

13.6.4 Proposed Desired Condition and Standards for Social Communities

The proposed desired condition for social communities expresses the need to balance between a tourism dependent economy and stable year round population base. Several indicators have been proposed for social communities. However, as stated previously social communities as described by the desired condition is the product of several different factors. Because of the sensitivity of the desired condition, no standards are proposed at this time.

Proposed Desired Condition 4: Social Communities

Tahoe is a stable socially-diverse community, with opportunities for locally-owned businesses, a strong educational system, visual and performing arts, cross-cultural events, and an active and responsible community.

Proposed Standard for Social Communities

None proposed at this time

13.7 Desired Condition 5: Regulatory Framework

13.7.1 Proposed Indicators for Regulatory Framework

The desired condition for regulatory framework describes the relationship between the regulatory environment of the Lake Tahoe Basin and those who are affected by the system. The proposed indicator attempts to gauge the public's opinion and perception of the Lake Tahoe Basin's regulatory framework.

Proposed Indicators for Regulatory Framework

1. Public Perception (type II)

13.7.2 Current Condition and Trend for Effective Regulatory Framework

SETWG and public perceptions of agency regulatory practices as expressed through this desired condition indicate that current regulatory processes need monitoring and improvement. Problematic regulatory efficiency and equity can directly impact economic activity and unintentionally redirect investment and redevelopment efforts. However, time scale measures of regulatory processes and their impacts are not now known and are needed to accurately assess the regulatory framework.

13.7.3 Technical Range of Feasibility Regarding Effective Regulatory Framework

Although the various agencies of the Basin have multiple objectives, the Pathway process has been working to coordinate these objectives and their programs. Through the coordination of the various plan updates and continual collaboration, it is the intention of Pathway to ensure an effective and responsive user-friendly regulatory framework.

13.7.4 Proposed Desired Condition and standards for Regulatory Framework

Input through the Pathway process indicates a significant concern about efficiency and the equity of the Lake Tahoe Basin regulatory and permitting system. The current system is perceived as unwieldy, difficult to maneuver, difficult to understand and, as a result, most-onerous to small, locally-owned business. Associated attributes include: a highly complex set of laws, rules, and procedures to protect the unique natural environment resulting in strict constraints on development. No standards are proposed at this time for the regulatory framework.

Proposed Desired Condition 5: Regulatory Framework

There is a responsive, effective and user-friendly regulatory framework with consistency across all federal, state, and local regulatory agencies for all projects.

Proposed Standard for Regulatory Framework

None proposed at this time

13.8 FURTHER CONSIDERATIONS REGARDING SOCIO-ECONOMICS

The Pathway Process has identified key social and economic issues currently faced by the Lake Tahoe Basin communities. Social and economic issues are strongly linked to other environmental issues addressed throughout the document. While these issues may be linked, Pathway agencies are limited in their resources to address these issues. To ensure that adequate resources and attention are given to social and economic issues, the local jurisdictions and stakeholder groups of the Lake Tahoe Basin will be engaged. This process will identify organizations and their roles in addressing issues.

Monitoring and assessing socio-economic conditions is not only an explicit priority in Pathway agency documents, it is necessary to fully understand the interrelationship between environmental management and the Lake Tahoe Basin's human communities. As repeatedly stated in this document, the Pathway 2007 partner agencies, local jurisdictions and stakeholder groups must make a long-term commitment to conduct and support a socio-economic monitoring system. These groups can utilize monitoring information to engage in a comprehensive ongoing conversation about the future of the Basin's natural and socio-economic management and the standards upon which that management can be measured. The breadth and complexity of socio-economic issues do present a challenge. However, Pathway 2007 agencies indicate willingness to meet this challenge by moving toward increasingly innovative and actionable regional planning.

In addition, it is advised that no uniform standards be created for the socio-economic indicators. Due to geographic, size and social value differences among Lake Tahoe Basin communities, it is not feasible to quantify representative standards. Rather indicators developed through the Pathway 2007 Socio-Economic program will provide local decision makers and leaders the necessary information to address the specific needs of their communities. Further discussion will be required to review proposed indicators and determine a monitoring strategy.

Sustainable Economy

At this time the sustainability of the Lake Tahoe Basin economy to withstand broader economic shifts, tourism trends and seasonal shifts is not fully understood. It is recommended that an initial baseline be collected and a monitoring system for the economy be implemented in order to provide a common reference concerning discussion about the past, current and future status of the region's economy. This includes data collection, analysis, and presentation for metrics at the basin level. Organizations that will need to be engaged in the discussion of a sustainable economy strategic plan include local economic development departments, chamber of commerce, tourism bureaus and other business groups.

Housing Opportunities

Housing has been identified as a major issue that all communities within the Lake Tahoe Basin face. To further the discussion of appropriate strategies and organizations to address this issue, a complete assessment of the current and historical housing patterns should be developed. Based on this assessment a continuing monitoring program is recommended to determine the affordability of the Lake Tahoe Basin housing stock.

Town Centers

To determine the effectiveness of this proposed approach, it is recommended that an initial data collection study be conducted and include exemplary sites currently operating within the Lake Tahoe Basin. Additionally, it will be necessary to compare these current patterns with model developments in comparable communities and other noteworthy mixed use developments in the greater Lake Tahoe Region.

Social Communities

It is difficult to quantify or monitor the progress of a social community as it is described in the desired condition. It is recommended that a larger discussion be facilitated with Lake Tahoe Basin organizations and governments to identify specific programs that may currently address social community issues, funding sources, identify influences, and develop specific programs where they do not currently exist.

Regulatory Framework

It is recommended to gather and present the indicator data for the most recent annual reporting period to establish a baseline and then compare to available data for the past several years. Also, it is recommended, to the extent feasible, that Pathway agencies gather and study permitting information for comparable communities and communities noted as having user-friendly and consistent regulatory models and then compare that information to the Lake Tahoe Basin framework.