

**BAY AREA**

# Tahoe needs affordable housing. Could houses built in the Bay Area be the solution?

By **J.K. Dineen**

March 25, 2024

 Gift Article



A plastic wrapped building sits at a construction site for the Sugar Pine Village development, which will provide affordable housing for the South Lake Tahoe community.

Tracy Barbutes/Special to the Chronicle

South Lake Tahoe is a resort town with a big need for affordable housing — and a very short window in which to build it.

From October to May, the Tahoe Regional Planning Agency prohibits grading and digging, which helps protect the lake's famous clear waters by preventing sediment from washing into storm water systems. When the ski slopes open at Heavenly, the hammering stops and the crews descend into the valley to work in warmer climates.

But, with 1,000 households on the waiting list for the area's affordable housing, the developers couldn't afford to limit construction to the warm months.

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So, when Related California and St. Joseph Community Land Trust were planning the biggest affordable housing project in the history of Tahoe Basin, they came up with a solution: have the units built at Factory O/S on Vallejo's Mare Island and truck them to South Lake Tahoe.





A Sugar Pine Village building, located off of Lake Tahoe Boulevard and Tata Lane, is wrapped in plastic during winter months. Tracy Barbutes/Special to the Chronicle

“It allows us to get a roof on the building before winter hits,” said Brendon Winters, project manager for contractor Deacon Construction. “It’s such a short summer window — if you don’t have a roof you’re not doing anything in the winter.”

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On a recent Monday, construction crews were inside of plastic-wrapped structures on South Lake Tahoe Boulevard, hanging drywall and installing windows in the first phase of the development. Meanwhile, on Mare Island, carpenters on the assembly line were building “mods” for the next phase.

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“We are getting so much more work done than we would have if we had used” conventional construction, said Ann Silverberg, who heads up affordable housing for Related California.

Sugar Pine Village is a 248-unit project aimed at housing a workforce that has been increasingly priced out of the mountain resort community. When completed — phase one is 68 units — the complex will consist of nine buildings spread over 10 acres, as well as two community centers. About 90% of the units are affordable to workers earning less than 60% of area median income, about \$90,000 for a four-person household.



A construction worker sticks his head out from a plastic-wrapped Sugar Pine Village construction site in South Lake Tahoe. Tracy Barbutes/Special to the Chronicle

The project is the first development to break ground as part of Gov. Gavin Newsom's Excess State Land Program executive order, which made under-utilized, state-owned land available for affordable housing. While Sugar Pine Village is the first to break ground, about 5,550 units are in the program pipeline.

Newsom spokesman Daniel Lopez said the geographic variety of the state-owned real estate portfolio means that affordable housing can be produced on sites like Sugar Pine Village, which would typically attract a condo developer catering to second-home owners.

"This is exactly what we want to see with the Surplus Land Act, to speed up development in places like South Lake Tahoe, communities large and small," Lopez



said. "It's prime real estate."

South Lake Tahoe is the only incorporated city in the Lake Tahoe Basin and has traditionally been more affordable than towns on the north side of the lake. But, during the pandemic, and the boom years leading up to it, median home prices in the basin skyrocketed, climbing from \$345,000 in 2012 to \$950,000 in 2021, according to a report from the [Tahoe Prosperity Center](#).



Sugar Pine Village will be the largest affordable housing project in the history of Lake Tahoe with 248 units on 10 acres.  
Tracy Barbutes/Special to the Chronicle

While more than 7,000 of South Lake Tahoe's units are vacation homes that sit empty much of the year, the housing stock available for local workers is often priced out of reach. Today, there are more than 1,000 families on a waiting list for affordable housing in South Lake Tahoe. The number of students in the Lake Tahoe

Unified School District has fallen by 36% and 111 of the students are homeless, a 54% jump over last year.

The cost of housing has turned many workers into “super-commuters.” A study, completed as part of South Lake Tahoe’s housing inventory, found that upward of 31% of employees — about 5,000 workers — commute into the region, many driving an hour or more from locales such as Reno, Carson City, Nev., and Placerville.

Other families are “doubling up” in cramped units or motels.

“So many families end up living in motels because they can’t afford the rent and security deposit,” said Jean Diaz, executive director of St. Joseph Community Land Trust. “Some of these old hotels are not good.”

When St. Joseph program manager Jim Meiers was growing up in South Lake Tahoe, the town was full of kids and was affordable to the local workforce. During ski season, high school students were bussed to Heavenly to hit the slopes for “sixth period.”



A construction worker walks along an inside corridor at a Sugar Pine Village construction site in South Lake Tahoe.  
Tracy Barbutes/Special to the Chronicle

“What a great place to grow up,” Meiers said. “You could work, enjoy the Tahoe lifestyle and still afford to take your family out to dinner once a week.”

In addition to affordable rental units, St. Joseph develops below-market-rate for-sale homes. The nonprofit recently sold three new affordable homes — buyers included a bartender, a librarian, a veterinary technician and a construction worker.

“Our workforce is priced out and our businesses are closing because of staffing,” Meiers said. “It seems like employees are overworked and underpaid, working two or three jobs just to get by.”



For Barton Hospital, the largest employer in South Lake Tahoe, adding 248 affordable units could help attract and retain workers, according to Chris Proctor, the hospital's director of business development. The hospital has 59 openings.

"We definitely get to the point in the recruitment process where we extend an offer and it is declined because they couldn't find housing," said Proctor.

At a recent South Lake Tahoe City Council meeting on a proposed vacancy tax, resident Sierra Riker said she earns \$30 an hour, but can barely afford to stay.



A forested area in South Lake Tahoe is marked for future Sugar Pine Village construction.

Tracy Barbutes/Special to the Chronicle

"I pulled myself up by the bootstraps, but all I can afford is a 450-square-foot apartment built in the '50s," she said. "South Lake Tahoe desperately needs more



housing options.”

So far, about 200 families have signed onto an “interest list” for Sugar Pine Village, the first phase of which will open in September. Meanwhile, Factory O/S is finishing the last of the modulars, which are trucked through Sparks and Reno and down the east shore of the lake before arriving at Heavenly ski resort, where they are stored until they’re ready to be placed.

The trucks barely fit through “Cave Rock,” a dual bore highway tunnel on Highway 50.

“You see the mods going through the tunnel and you have about eight inches on each corner,” said Kevin Brown, CEO of Factory O/S, which arranges the transportation of the mods. “It is a little harrowing.”



A construction worker walks through a Sugar Pine Village construction site along Tata Lane, in South Lake Tahoe.  
Tracy Barbutes/Special to the Chronicle

On May 1 — assuming the snow has melted — about 70 workers will be on the site, according to Winters, finishing phase one and starting phase two of the project.

“By summer we will have buildings finishing, buildings setting, the next phase starting, placing an incredible amount of concrete,” said Winters. “It’s going to be a fun summer.”

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