

Date: September 20, 2023
To: TRPA Governing Board
From: Arlo Stockham, AICP

Subject: TRPA PERMITTING IMPROVEMENT PROJECT: Proposed Amendments to the Code of Ordinances, Rules of Procedure, Design Review Guidelines, and Fee Schedule

Summary: I am pleased to present the next phase of work from the Tahoe Regional Planning Agency (TRPA) permitting improvement team. This is a priority project to improve TRPA permitting operations.

Project information and deliverables are publicly available online at the <https://www.trpa.gov/permitting-improvement-project/>.

This memo outlines draft changes to the *TRPA Code of Ordinances (the “Code”), Rules of Procedure (the “Rules”), Design Review Guidelines Appendix H (the “DRG”) and Fee Schedule (the “Fees”)*. The proposed changes are consistent with the *TRPA Permitting Improvement Action Plan (the “Action Plan”)* and the *Implementation Report for TRPA Permitting Improvements (the “Implementation Report”)*.

The *Action Plan* is a strategy and 18-month work program to improve the TRPA permitting system. It was developed through a participatory process and was endorsed by the TRPA Governing Board in August 2022. The *Action Plan* directed staff to pursue process improvements and code amendments focused on the following priority topics:

- *Establish more efficient, consistent, and predictable application review processes.*
- *Simplify and shorten review processes for minor applications and sequential approvals.*
- *Update code standards that are difficult to interpret, do not add value, or are unduly cumbersome.*
- *Prioritize public communication and customer services.*
- *Expand tools for staff development and training.*
- *Maintain adequate and dependable funding to support quality application reviews.*

The *Implementation Report* is a technical memo detailing specific recommendations to implement the *Action Plan*. It was also developed with extensive stakeholder participation and was endorsed by the TRPA Governing Board in March 2023.

Since March, I have worked with staff and stakeholders to prepare and refine complete implementation documents (*Code, Rules, DRG, and Fees*). Draft amendments are available in redline format. The August 24 drafts reflect refinements made following public distribution and review of prior drafts by stakeholders and the Regional Plan Implementation Committee (RPIC).

Attachment B was prepared as a reference document for reviewers. It is a comprehensive table identifying each of the proposed *Code, Rules, DRG, and Fees* changes (in chronological order).

The table references action items from the *Implementation Report* and notes implementation details. Please review the [Implementation Report](#) for additional supporting information.

Full versions of the Code, Rules, DRG, and Fees with redline changes are publicly available at <https://www.trpa.gov/permitting-improvement-project/>.

Recommendations: Tasks and deliverables (i.e. recommendations) of the Permitting Improvement Project include both (1) proposed amendments to the TRPA Code of Ordinances, Rules of Procedure, Design Review Guidelines, and Fee Schedule, and (2) other administrative improvements.

The proposed amendments to the *Code, Rules, DRG, and Fees* are broadly summarized below. The amendments were reviewed, discussed, and refined in coordination with the TRPA staff team for permitting improvements, and with other staff members. Additional refinements were made following stakeholder review and comment.

Proposed changes include:

Priority #1: Establish more efficient, consistent, and predictable application review processes.

Administrative improvements are being made together with changes to *Code, Rules, DRG, and Fees*. Central to this effort is a comprehensive administrative *Procedure Manual* outlining standard practices for project reviews and other department functions. Establishing written process guidelines should improve the consistency and quality of permitting operations. The *Procedure Manual* will also serve as a staff training and evaluation tool, and as a publicly available resource. The *Procedure Manual* will be refined and expanded over time.

The department has 21 full time staff members and is now organized with three staff teams plus special project staff. The staff teams manage routine operations, with team leaders providing mentoring and consistent guidance for their teams.

Staff is also working to standardize the materials used for application reviews. Shared permit templates and a consolidated list of standard conditions are being assembled. Application forms and the Accela permitting system are also being updated.

The application documents and standard review procedures will be enhanced during Phase 3.

Priority #2: Simplify and shorten review processes for minor applications and sequential approvals.

- Minor Applications: A new “Minor Application” process will be established for less complex project applications. Minor Applications will have shorter review timelines (15 + 40 days), simplified reviews, and a dedicated review team. Procedures are detailed in new section 5.4 in the Rules of Procedure, including the list of qualifying projects. These changes are specific to TRPA permitting operations. Memorandum of Understanding (MOU) partners with delegated permitting authority are not obligated to meet the new requirements for minor applications.

- Bundled and Concurrent Applications: Changes will allow frequently-related applications to be processed concurrently and in a coordinated manner. This should improve the review process, while reducing the combined processing time for projects that also involve development right transfers, lot line adjustments, or historic resource determinations. See new section 5.5 in the Rules of Procedure. These changes are specific to TRPA permitting operations. Memorandum of Understanding (MOU) partners with delegated permitting authority are not obligated to meet the new requirements for bundled applications.
- Exempt and Qualified Exempt Activities: The Qualified Exempt (QE) declaration process is being simplified consistent with existing Code language. Additional minor improvements are also moved from the QE list to the fully Exempt list. See changes in Code section 2.3.
- Historic Resource Protection: Changes authorize streamlined historic resource determination procedures and staff-level approval of projects involving potential historic resources. Procedures for designated historic resources will not change. Routine project-level consultations with state historic preservation offices will be handled by TRPA staff, consistent with a request from the California office and with concurrence of the Nevada office. See Code subparagraph 2.2.2.A.2.c and Chapter 67.
- Additional Staff-Level Decisions: Staff-level approval procedures are proposed for additional routine determinations, including certain underground utility replacement and Environmental Improvement Projects. Bonus Units will no longer require a different and sometimes more intensive review process than the projects for which they are being used. Many routine shorezone applications, including new and expanded piers, will be reviewed at the staff level – however noticing requirements and appeal provisions are retained for the shorezone applications. See Code section 2.2.2.

Priority #3: Update code standards that are difficult to interpret, do not add value, or are unduly cumbersome.

- Code Interpretations and Clarifications: A suite of code clarifications are proposed, consistent with past interpretations and ongoing practices. Additional language is added in numerous sections to clarify the approval criteria for basic regulations. This should help project applicants understand key development limitations, while providing a framework for more consistent and improved reviews. Topics addressed include:
 - Land coverage for public safety and access of the disabled (Code sec 30.4.2)
 - Land coverage transfers between Bailey and IPES lots (Code sec 30.4.3)
 - Land coverage exemptions – non-permanent coverage, pervious coverage, pervious decks. Changes also include new provisions for small utility installations including utility boxes, generators, HVAC pads, EV chargers, solar, etc (Code sec 30.4.6)
 - Off-site coverage (Code sec 30.4.7)
 - Heights for buildings with multiple roof pitches (Code sec 37.3.4)
 - Height standards for segmented buildings on slopes (Code sec 37.4.2)

- Standards for reflectivity and glare outside the shorezone/shoreland (Code sec 66.1.6)
- Shorezone boulder relocation (qualified exempt) vs dredging (Code sec 82.5.8)
- Rules for Rounding (Code sec 90.1.14). Rounding rules are also added in the Shoreland Visual Assessment Tool (Design Review Guidelines Appendix H).
- Definitions (Code sec 90.2)
 - Active Solar Energy System
 - Deck
 - Electric Vehicle Charger
 - Electric Vehicle Charging Station
 - Expansion (addresses expansion vs modification for shorezone structures)
 - Land Coverage (addresses minor site improvements)
 - Walkway
- Focus Staff Time on High-Value Work: Procedure ordinances are updated to reduce audit frequency for single family permits and to only conduct the “below the IPES line” drawing if there is insufficient supply in the Residential Allocation Incentive Pool. Changes will significantly reduce staff work without impacting outcomes. See Code sec 50.5.2 (A and E).
- Organize Code Reference Documents: Documents and datasets that are “adopted by reference” in the TRPA Code have been compiled in a list with convenient links to each document. This will be included in the procedure manual and posted online.

Priority #4: Prioritize public communication and customer services.

Customer service improvements are being implemented, including dedicated customer service staff, a customer service policy for staff, and additional online resources for applicants. Customers will also benefit from more consistent and efficient project reviews.

Priority #5: Expand tools for staff development and training.

The *procedure manual* and project review teams provide a framework for enhanced staff guidance/training and increased delegation of work to lower level positions. Future efforts will include staff training and increasing opportunities and responsibilities for lower level positions.

Priority #6: Maintain adequate and dependable funding to support quality application reviews.

In recent years, TRPA applications have increased rapidly – both in volume and complexity. Increases in complex shoreland and shorezone applications have been most notable. Staff have struggled to keep up with permit reviews, but funding is limited for additional staff increases.

The *Implementation Report* focused on efficiency improvements, but also identified targeted fee changes to better reflect the cost of reviews. These changes are now addressed in the Fee Schedule amendments. Moving forward, additional expense monitoring systems and reports are being developed. These can be used when evaluating operating costs and considering future fee changes.

Most application fees remain unchanged, including for all residential and commercial projects outside the shoreland/shorezone. The changes proposed address fees that are clearly out of alignment with the complexity of reviews.

The fee multiplier sheet is updated to better reflect review time requirements. The 25 percent increase in special planning areas is eliminated and replaced with a new 25 percent multiplier for projects that can be approved at the staff level, but require public noticing.

In aggregate, application fees for development in the shoreland and shorezone currently fall well short of the associated administrative costs.

Shoreland scenic review fees are proposed to increase to reflect the time required for these reviews. This will impact projects that are located in the shoreland or shorezone and are visible from Lake Tahoe. The current \$629 added application fee is increased to \$1,000 or \$2,000, depending on the review process type/complexity. Several shorezone fees are also increased, including for buoys, mooring lottery eligibility reviews, and pier expansions.

The expanded staff-level approval authorities (with noticing) provides fee reductions that offset the increases for some applications. Net fee changes for common applications are noted in the table below. These amounts are better aligned with typical project review costs.

<u>Application Type</u>	<u>Total Fee (Existing)</u>	<u>Total Fee (Proposed)</u>
<i>Single Family Remodel/Addition (Lakefront, 4,000 sf, High Scenic)</i>	<i>\$7,799</i>	<i>\$9,170</i>
<i>New Pier – multiple use (High Scenic)</i>	<i>\$11,809</i>	<i>\$9,852 (no GB review)</i>
<i>New Pier – single use (High Scenic)</i>	<i>\$9,389</i>	<i>\$9,852 (no HO review)</i>
<i>Pier Expansion (High Scenic)</i>	<i>\$3,944</i>	<i>\$9,852</i>
<i>Pier Modification (No Scenic)</i>	<i>\$3,315</i>	<i>\$3,315</i>
<i>One New Buoy (No Scenic)</i>	<i>\$787</i>	<i>\$1,500</i>

In other areas, targeted changes are proposed with no significant change to total fee revenue. Day care fees are decreased. Lodging fees are increased consistent with fees for multi-family projects. Modest fees are applied to certain “no-fee” submittals, including additional Qualified Exempt declarations (some pay now), repeat acknowledgement (final approval) of approved permits, and parcel consolidation deed restrictions.

Fee-related provisions in the *Code, Rules, and Fee Schedule* are also reorganized to simplify administrative processes. Procedures for fees are moved to a new chapter 16 in the *Rules*. Fee amounts are all listed in the *Fee Schedule* and are not repeated elsewhere. References in various sections are updated to reflect this approach. Language is also changed to consistently use the Western States CPI for fee indexing (where applicable) and to discontinue use of other inflation indexes.

Please see Attachment B for a detailed list of amendments to the *Code, Rules, DRG, and Fee Schedule*.

Summary of Requested Action by Project Task:

TASKS & DELIVERABLES	REQUESTED ACTION
<i>Priority #1: Establish more efficient, consistent, and predictable application review processes</i>	
Procedural Manual Standardized Forms, Templates, and Conditions of Approval Dedicated Project Review Teams	These improvements are administrative and operational in nature (e.g. provides procedural guidance). No action requested. Deliverables are under development. Comments welcomed.
<i>Priority #2: Simplify and shorten review processes for minor applications and sequential approvals.</i>	
Minor Applications Bundled Applications	These improvements are administrative and operational in nature (e.g. provides procedural guidance). <i>Procedures are detailed in new section 5.4 and 5.5 in the TRPA Rules of Procedure, including a list of qualifying projects.</i> Requested action of APC to recommend adoption of amendments to the Rules of Procedures.
QE Declaration Process Simplification	The existing Qualified Exempt (QE) declaration procedures are being clarified consistent with <u>existing</u> code language. These improvements are administrative and operational in nature. (e.g. provides procedural guidance) Clarifications regarding the QE procedure will be included in the Procedural Manual and TRPA applications. No action requested. Deliverables will be available at TRPA.gov November 2023. Comments welcomed.
Expand Exempt Activities List	The proposed amendments include moving select minor activities from the QE list to the fully Exempt list in TRPA Code 2.3. These are consistent in scale and scope of existing exempt activities. Requested action of APC to recommend adoption of amendments to the Code of Ordinances.
Historic Resource Process Simplification	Amendments include streamlined historic resource determination procedures and staff-

	<p>level approval of projects involving potential historic resources.</p> <p>Requested action of APC to recommend adoption of amendments to the Code of Ordinances.</p>
Additional Staff Level Delegation	<p>Staff-level approval procedures are proposed for additional determinations.</p> <p>Requested action of APC to recommend adoption of amendments to the Code of Ordinances.</p>
<i>Priority #3: Update code standards that are difficult to interpret, do not add value, or are unduly cumbersome.</i>	
Code Interpretations and Clarifications	<p>A suite of amendments is proposed, consistent with past code interpretations and ongoing practices. The amendments clarify the approval criteria for common regulations, such as land coverage and height. The amendments help project applicants better understand development limitations and considerations, while providing a framework for more consistent and improved reviews.</p> <p>Requested action of APC to recommend adoption of amendments to the Code of Ordinances.</p>
Reduce Audit Volumes	<p>Procedural ordinances are updated to reduce audit frequency for single family permits and to only conduct the “below the IPES line” drawing if there is insufficient supply in the Residential Allocation Incentive Pool.</p> <p>Requested action of APC to recommend adoption of amendments to the Code of Ordinances.</p>
Reduce “Below the IPES Line” Drawings	
Organize and Publicize Code Reference Documents	<p>This improvement is administrative and operational in nature. (e.g. provides procedural guidance and references important documents)</p> <p>No action requested. Deliverables will be available at TRPA.gov November 2023. Comments welcomed.</p>

Priority #4: Prioritize public communication and customer service.	
<i>See tasks and deliverable for Priority #1.</i>	
Priority #5: Expand tools for staff development and training.	
<i>See tasks and deliverable for Priority #1.</i>	
Priority #6: Maintain adequate and dependable funding to support quality application reviews.	
Updates Select Fees and TRPA Fee Schedule	Requested action of APC to recommend adoption of amendments to the Fee Schedule.
Cost Recovery Monitoring Program	<p>These improvements are administrative and operational in nature. Program is intended to better understand required resources and staffing necessary to review applications and expenses incurred.</p> <p>No action requested. Deliverables are under development. Comments welcomed.</p>

“Phase-3” Projects: The next 6-month phase of this permitting improvement project will focus on TRPA’s application requirements and forms, project review procedures, online navigation to permitting tools and resources, and administrative systems. The team has been discussing opportunities to simplify application requirements, operate more efficiently, and automate certain permitting functions.