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STAFF REPORT

Date: March 20, 2024

To: TRPA Governing Board

From: TRPA Staff

Subject: Transportation and Sustainable Communities Threshold Standard 1

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Summary:

At the January 2024 Governing Board meeting the Board reaffirmed its commitment to closing the funding gap of the 2020 Regional Transportation Plan (RTP) and reducing VMT per capita to meet the goal of the Transportation and Sustainable Communities 1 (TSC1) Threshold Standard. The Board also expressed concern about the adaptive management framework for addressing the funding gap. Staff consulted with partners in reviewing the full adaptive management framework for TSC1 and found the vast majority of the framework to be sound. In keeping with the adaptive management approach, Staff recommends the Board provide the following direction to Staff.

Required Motions:

To implement the direction the Board should make the following motions:

1. A motion to direct the Agency to continue to support the implementation of the “7-7-7” framework while working with local, regional, state, and federal partners to refine the overall funding approach and establish appropriate milestones.
2. A motion to direct continued engagement with the Transportation Performance Technical Advisory Committee and programmatic experts to adaptively manage the policy framework to address concerns raised by stakeholders and the Board, including a review of the project impact assessment process and exemption of public service projects.

For the motions to pass, an affirmative vote from four Board members from each State is required.

Background:

In April of 2021, TRPA adopted TSC1, aligning the vision of the RTP and Regional Plan to reduce reliance on the automobile, reduce greenhouse gas emissions, and increase mobility through modes other than the automobile. Concurrent with the adoption of the threshold standard, an adaptive management framework was adopted as goal DP-5 in the Regional Plan, with six implementing policies. Both the threshold standard and the adaptive management framework were the result of extensive negotiations between a variety of stakeholders. That adaptive management framework contains three key elements,

1) independent technical advice, 2) milestones for progress, and 3) management responses if the milestones are not met. That framework contains milestones for VMT per capita reduction and the funding of the RTP to support VMT reduction through transportation policy.

In January of 2024, the Board reviewed implementation progress and expressed numerous concerns related to the funding element of the adaptive management framework (DP-5.4, DP-5.6). The concerns expressed related to ambiguity in the standard, feasibility of the timelines, and potential impacts of the land-use policies.

**DP-5.2 THE TECHNICAL ADVISORY BODY WILL PREPARE AND TRANSMIT A PERFORMANCE AND RECOMMENDATIONS REPORT TO THE GOVERNING BOARD EVERY FOUR YEARS.**

**DP-5.3 THE TECHNICAL ADVISORY BODY WILL PREPARE AND TRANSMIT A REGIONAL TRANSPORTATION PLAN SUSTAINABLE COMMUNITY STRATEGY ANALYSIS AND RECOMMENDATIONS REPORT.**

Staff and partners engaged in a review of the adaptive management framework after the January meeting, with a focus on the policies related to the funding strategy. The review reaffirmed the framework as a whole but identified numerous opportunities for improvement.

**GOAL DP-5  
TRPA SHALL USE A SERIES OF MILESTONES TO ADAPTIVELY MANAGE REGIONAL LAND USE AND THE TRANSPORTATION SYSTEM TO ACHIEVE AND MAINTAIN TRANSPORTATION AND SUSTAINABLE COMMUNITIES THRESHOLD STANDARD 1.**

A full review of the policies and implementation progress is included below. All six policies were adopted under Goal DP-5. The policies collectively reaffirm the commitment to adaptive management to reduce VMT per capita to attain the threshold standard.

The first policy, DP-5.1, calls for the convening of a technical advisory body to provide independent guidance on policies to promote the attainment of the threshold standard. That technical body, the

**DP-5.1 A TECHNICAL ADVISORY BODY WITH EXPERTISE IN TRANSPORTATION, LAND USE PLANNING, AND IMPLEMENTATION SHALL PROVIDE GUIDANCE ON PROGRAM MODIFICATIONS NECESSARY TO ATTAIN AND MAINTAIN TRANSPORTATION AND SUSTAINABLE COMMUNITIES THRESHOLD STANDARD 1 (TSC 1).**

Transportation Performance and Technical Advisory Committee was appointed by the Board in March of 2022. The Committee met multiple times in 2022 and developed its charter, which the Board approved in September of 2022.

The next two policies, DP-5.2 and DP-5.3, establish the reporting requirements of the technical advisory body. The reporting structure provides the technical advisory body with the framework to make data-driven policy recommendations to the Board to accelerate threshold attainment. In March of 2023, the technical advisory body submitted a draft reporting framework to the Governing Board, outlining the metrics it would use to assess the performance of the transportation system. The advisory body began

reviewing data relative to the performance metrics at its meeting in January of 2024 and is on track to complete its evaluation and provide guidance to the Governing Board in the second quarter of this year, consistent with DP-5.3.

The fourth adaptive management policy addresses the regional revenue funding gap of the constrained list of the RTP. The RTP estimated that an additional \$486 million would be needed to implement the projects on the constrained project list, equivalent to an additional \$20 million annually for 20 years starting in the 2026 fiscal year. The RTP refers to this as “Regional” revenue in the funding chapter because it is forecasted revenue that does not yet have an identified source (e.g., federal, state, local, or private sector). The first of the two policies, DP-5.4, identified the importance of coalescing around a proposal for addressing the gap in forecasted transportation funding.

The Bi-State Consultation on Transportation reached a consensus to pursue a funding approach modeled after the Lake Tahoe Environmental Improvement Program (EIP), dubbed the “7-7-7” strategy. The strategy was endorsed by the Bi-State Consultation on Transportation and presented to the delegates from each state at the 2022 Lake Tahoe Summit (Summit). After the 2022 Summit, the Nevada State Legislature endorsed the strategy, as did Placer County and the City of South Lake Tahoe.

Under the “7-7-7” framework, federal, state, and local/private partners would each seek an additional \$7 million per year, for high-priority, regionally significant transportation projects, totaling \$21 million annually. Partners responded to the urgent call to fund the RTP and secured an additional \$23 million for FY2023. This milestone exceeds the funding target for “7-7-7” for the year and arrives three years earlier than anticipated by the 2020 RTP.

**DP-5.4 SCHEDULE OF MILESTONES TO OBTAIN A REGIONAL FUNDING SOURCE FOR TRANSPORTATION PROJECTS AND PROGRAMS.**

A. 2022 Regional Revenue Milestone - By December 31, 2021, a proposal for dedicated sources of transportation funding for Tahoe, endorsed and supported by the Bi-State Transportation Consultation, shall be submitted to the Nevada and California legislatures.

B. 2024 Regional Revenue Milestone - An ongoing regional funding source or sources dedicated to transportation for the Tahoe Region that is reasonably expected to meet the needs set forth for it in the Regional Transportation Plan, shall commence implementation no later than December 31, 2023.

While “7-7-7” addressed the future funding gap for the RTP, the difference in the funding approach of DP-5.4-A relative to partner expectations and the ambiguity in DP-5.4-B as to the terms “ongoing,” “reasonably expected,” and “commence implementation” complicates the assessment relative to DP-5.4-B. The “7-7-7” framework references a suite of “potential revenue sources” to close the regional funding gap of the 2020 RTP. The sources include both those that would generally be considered

**DP-5.5 SCHEDULE OF MILESTONES FOR ASSESSMENT OF PROGRESS TOWARDS ATTAINMENT OF TSC 1.**

Progress towards standard attainment will be tracked relative to the 2018 baseline of 12.48 VMT/Capita. The following milestones (Interim Targets and Major Evaluation Intervals) are established to assess progress toward attaining TSC 1.

ongoing and those which could have different interpretations as to their status of either being one-time or ongoing revenue sources.

Rather than trying to define “ongoing” and “reasonably expected” at this time, staff recommends the Board endorse the partnership’s continued implementation of the strategy while initiating a re-evaluation of the funding landscape to reconcile the differences between the approach and the long-term vision and establishing milestones for progress. The review should also address the questions raised by the Board related to the appropriateness of linking funding that is subject to uncertain budget processes at the State and Federal level to land use policy. Establishing milestones in advance of this review and recommitment process would be inappropriate and potentially counterproductive.

The fifth adaptive management policy identifies specific VMT per capita reduction milestones to be achieved throughout the 20-year implementation timeline. The milestones of DP-5.5 differ from those of DP-5.4 in that they measure overall success in reducing VMT per capita, rather than success in securing funding. The milestones focus not on if we are securing funding or if we are implementing projects, but on the results: is the suite of programs, policies, and projects reducing the amount each person needs to drive in Tahoe? The first assessment against the milestones of DP-5.5 will occur later in 2024.

The sixth policy establishes the actions to be taken if the aforementioned milestones are not achieved. The first of the sub-policies (DP-5.6.A) goes into effect if the funding milestone is found not to have been attained, and the following six policies relate to the VMT per capita milestones of DP-5.5. Policy DP-5.6.A establishes “no-net unmitigated VMT” as the standard of significance for all land uses except workforce and affordable housing.

Understanding the impact of the change requires additional context on how transportation impacts are analyzed. The transportation project impact assessment process was updated to support the attainment of TSC1 in 2021 and it included a tiered system of requirements. The first tier was designed to allow

**DP-5.6 ADAPTIVE MANAGEMENT RESPONSES TO BE IMPLEMENTED AFTER A RESULTS ASSESSMENT.**

The following supplemental compliance measures (management responses) shall automatically go into effect if it is found that the milestones in DP-5.4 – DP-5.5 have not been attained:

smaller projects to move through the system quickly by simply paying a fee. The second tier established additional efficiency-based requirements for larger projects to ensure their alignment with regional goals. The tiers are established by screening levels for projects and the requirements for larger projects by the standards of significance.

The standard of significance for residential, tourist accommodation, and public service uses is “15% below existing sub-regional average VMT.” The level ensures that new large projects will be more efficient than the existing development pattern and thus contribute to lowering VMT per capita. If DP-5.4.B is found not to be achieved, the standard of significance is changed to “no-net unmitigated VMT.” In discussions around the achievement of the funding milestone, there has been significant debate about the effect this change would have on projects within the region. Forecasting that impact is non-trivial because it requires a suite of assumptions around applicant behavior and market dynamics. Were the measure in place today an applicant potentially subject to the “no-net unmitigated VMT” could choose to; a) reduce project size, b) take their project elsewhere, or c) become a greater advocate for transportation funding in Tahoe.

The Board raised further questions about which projects should be impacted by the standard of significance change, and if public safety or other public service projects (e.g. daycare facilities or government offices) should be included. The broader question posed relates to which land use policies best support per capita VMT reduction and overall implementation of the Regional Plan. Would it impede the concentration of the development within town centers and other low VMT areas, thereby slowing the implementation of the Regional Plan or promoting sprawl? Is the change designed solely to motivate action and drive funding results, or should the change be designed to promote the attainment of the overall policy goal of VMT per capita reduction even in the absence of additional funding?

The questions get at the heart of the design of the adaptive management measure and whether the measure should be broad-based and impact many projects or be more targeted at a limited number of projects. In approaching the technical review of the interaction between land use and transportation policy, the focus should be on the identification of land use policy alternatives that promote threshold standard attainment in both good and bad funding environments. That review should also consider the first three years of implementation of the new transportation project impact assessment. To facilitate this review, staff further recommends continued engagement with partners and technical experts to address concerns related to program implementation and specifically how they relate to transportation project impact assessment and screening processes.

#### Contact Information:

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To submit a written public comment, email [publiccomment@trpa.gov](mailto:publiccomment@trpa.gov) with the appropriate agenda item in the subject line. Written comments received by 4 p.m. the day before a scheduled public meeting will be distributed and posted to the TRPA website before the meeting begins. TRPA does not guarantee written comments received after 4 p.m. the day before a meeting will be distributed and posted in time for the meeting.