Appendix B

Regional Data Trends Report

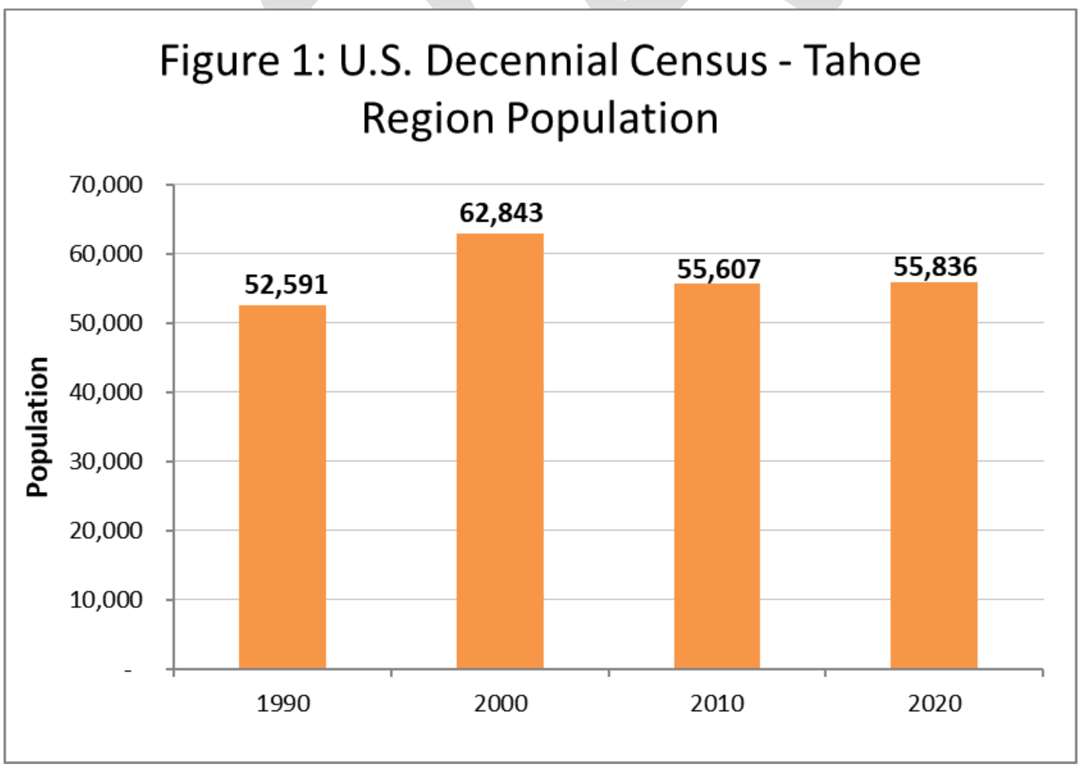
Contents

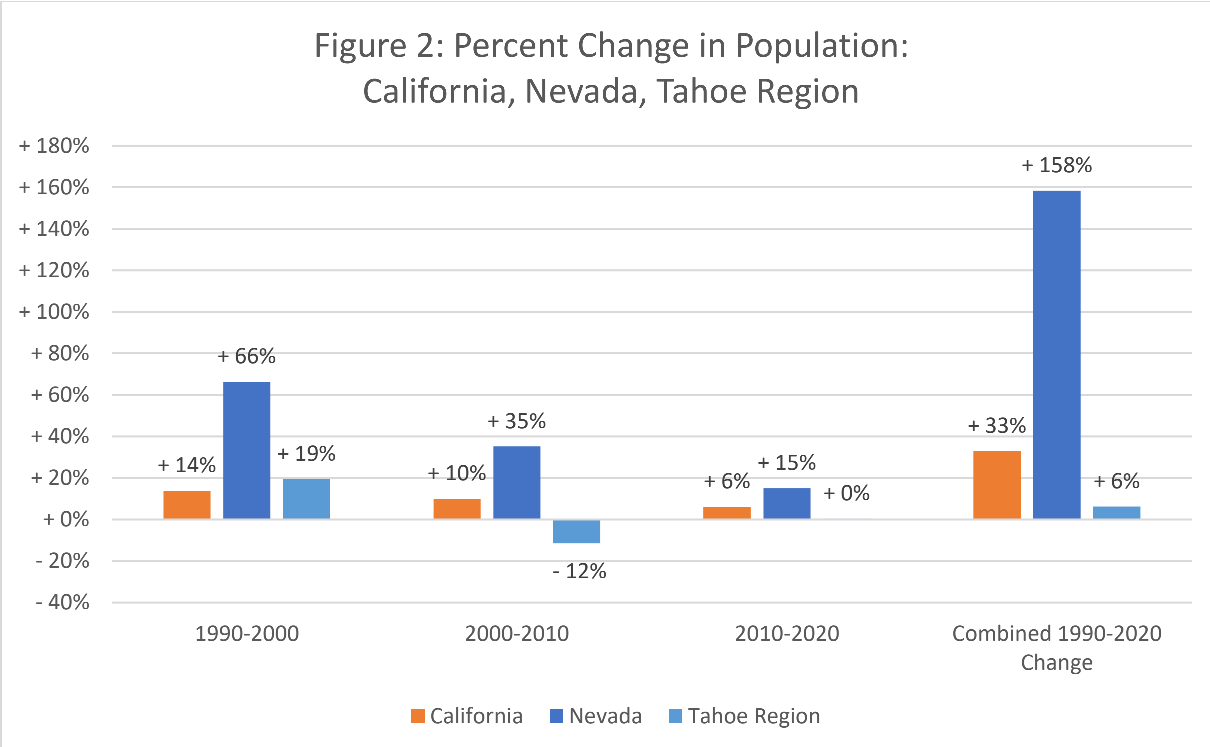
Residential Population

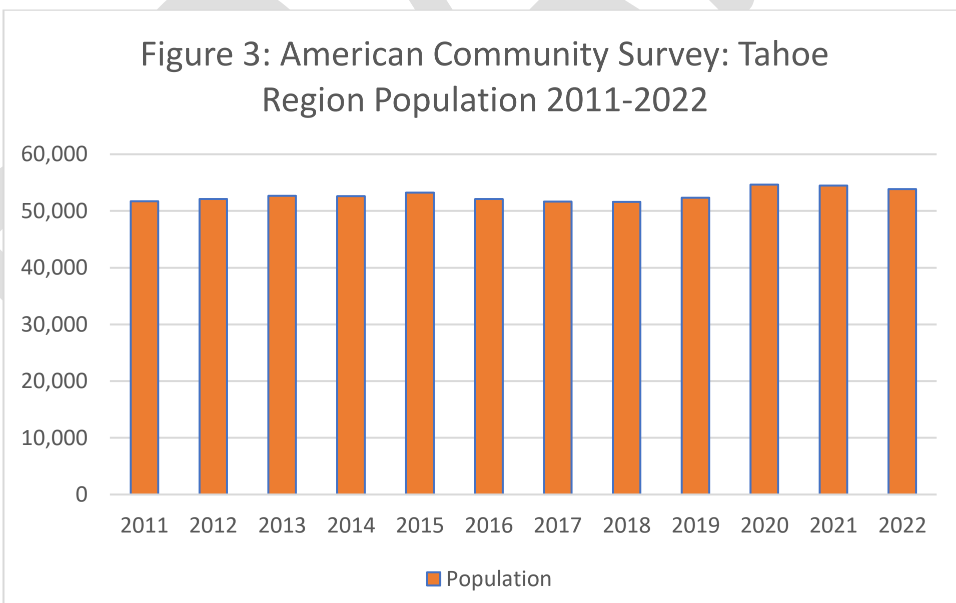
According to the U.S. Decennial Census, the Lake Tahoe regional population is 55,836 residents in 2020 (Figure 1). Population in the region peaked at 62,843 residents in 2000; currently, population is 11% lower than peak. There was a net increase in population in the Tahoe Region over the past decade, but this increase was negligible, particularly compared to the double-digit percentage increase in many comparison areas.

Both California and Nevada have experienced significant population growth in the last 30 years. Yet, the population in the Tahoe region has not grown at nearly the same rate. The last four decennial census' demonstrate the divergence between population trends in the Tahoe Region and the two states as a whole. Between 1990 and 2020, Nevada's population more than doubled (1.2 to 3.1 million) and California's population increased by 33 percent (29.8 to 39.5 million). Together, the two states added 11.7 million people, while the population of the Tahoe region grew by just 3,245 persons or 6 percent during this period (Figure 2).

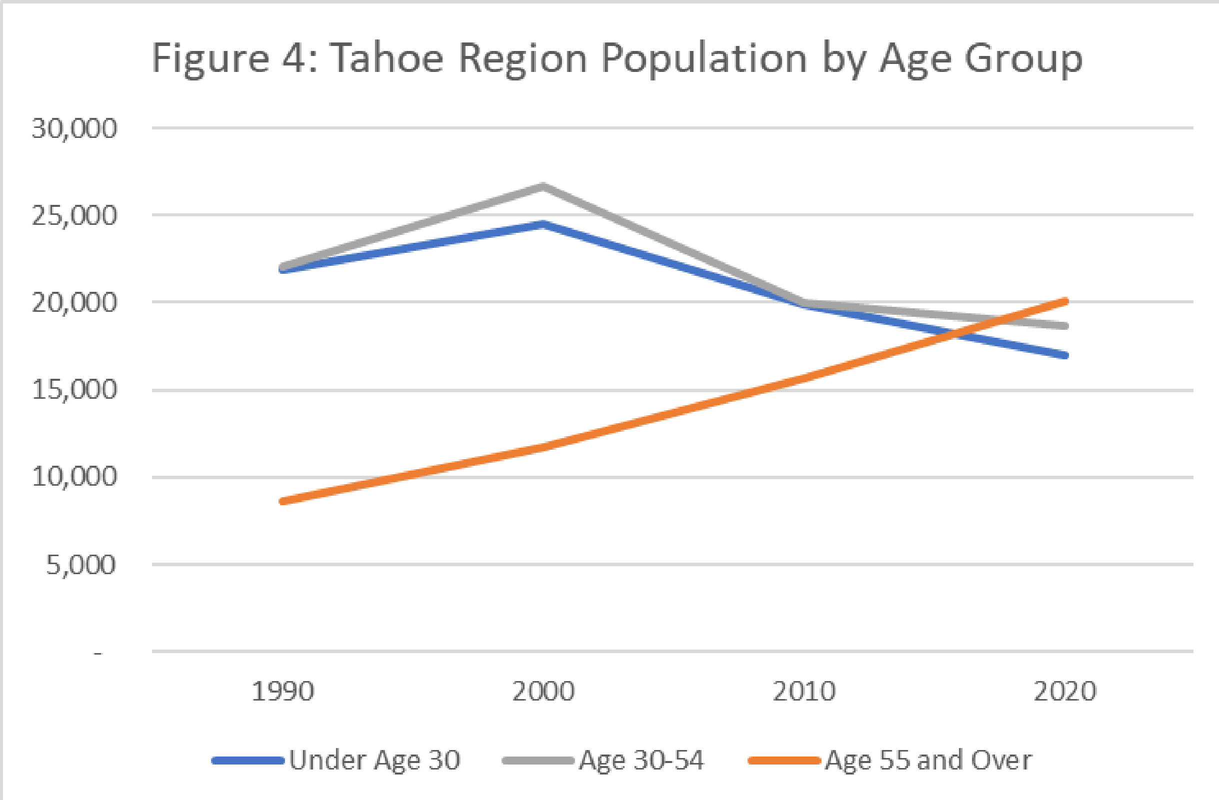
This change in particularly pronounced since the 2000 Decennial Census. Between 2000 and 2020, Tahoe Region's population declined 11 percent, including a 12 percent drop in the California portions of the Region and a seven percent decline in the Nevada portions. During this same period, statewide populations increased in both states. California's by 17 percent and Nevada's by 55 percent. These changes are striking given that the Tahoe Region's population grew by 19 percent between 1990 and 2000. Between the 2010 and 2020 Decennial Census, the population in the Tahoe Region was virtually unchanged, with fewer than 250 added residents over the ten-year period, a change of 0.4%.







The American Community Survey (ACS) 5-year data suggest that the resident population for the Tahoe Region has seen slight annual variation between 2011 and 2022, with a net increase of +4%, or +2,130 residents between 2011 and 2022.



In the Decennial Census reports, a significant shift in the age of the residential population in the Tahoe Region has been occurring since 1990 (Figure 4). In 1990, 42% of Tahoe's population was under the age of 30, and 16% was aged 55 or older. By the 2020 Decennial Census, the Region's population under 30 was down to 30% of residents and the 55 and older population was up to 36%.

Housing Occupancy

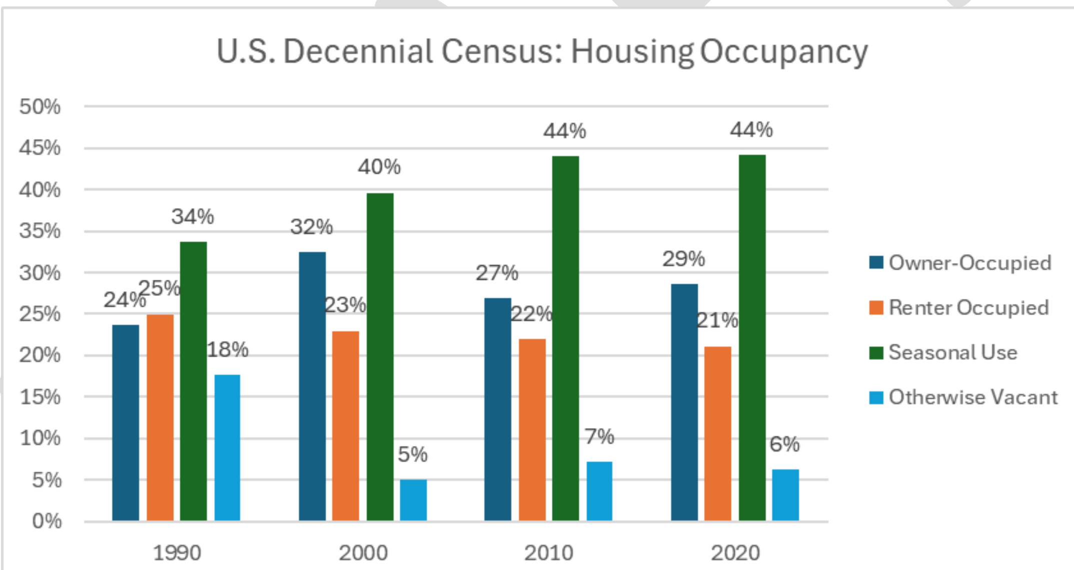
Highly correlated with declining population, the Tahoe Region has seen significant changes in the rate of housing units occupied by full-time residents. The number of Tahoe Region homes that are used for second-homes, short-term rentals, and seasonal homes increased significantly from 1990 to 2020, representing 44 percent of homes in the Tahoe Region in 2020. Meanwhile, owner- and renter-occupied houses represent half of the housing stock in the Region. Statewide, vacant and seasonal homes represent just eight percent of California homes and six percent of Nevada homes

Residential Occupancy rate

The 2020 Decennial Census estimates that the proportion of occupied housing units in the Tahoe Region was 50% in 2020 (U.S. Census Bureau, 2023). The remaining 50% of the regional housing supply not occupied by full-time residents is classified by the ACS as seasonal use (44%, including short-term rentals) or otherwise vacant (6%). These figures were slightly higher than the 2010 Census, which reported that 49% of Tahoe's housing units were occupied, 44% were seasonal use, and 7% were otherwise vacant.

The 2020 housing occupancy data varies significantly by jurisdiction and community around the Tahoe Region, with some communities on the west shore of Tahoe approaching 70% to 80% seasonal and vacant housing units, and some east shore communities at 33% seasonal and vacant.

Figure 5: U.S. Decennial Census Housing Occupancy



Household Income

Household income is a key characteristic of the residential population, which influences travel behavior. Census data over the last nine years show that household income in the region is trending upwards towards higher incomes (ACS 2010-2022). Median annual income for households nationally rose to $74,580 in 2022; within California, it is $91,905, and in Nevada, it is $71,646 (Guzman 2024). Median income in the Tahoe Region has continued to grow in recent years, with the regional median remaining near or slightly above the national median. Between 2010 and 2018, the proportions of households in each income category have remained relatively stable, but in recent years, there has been a substantial shift towards higher-income households in Tahoe. Between 2018 and 2022, the proportion of households earning less than $25,000/year fell significantly, from 19% to 12%. Between 2018 and 2022, the number of households earning over $200,000/year doubled and those earning between $100,000 and $200,000 increased from 20% to 26%. While households earning less than $100,000/year outnumber households earning more than $100,000/year, only 54% of households earn less than $100,000/year.

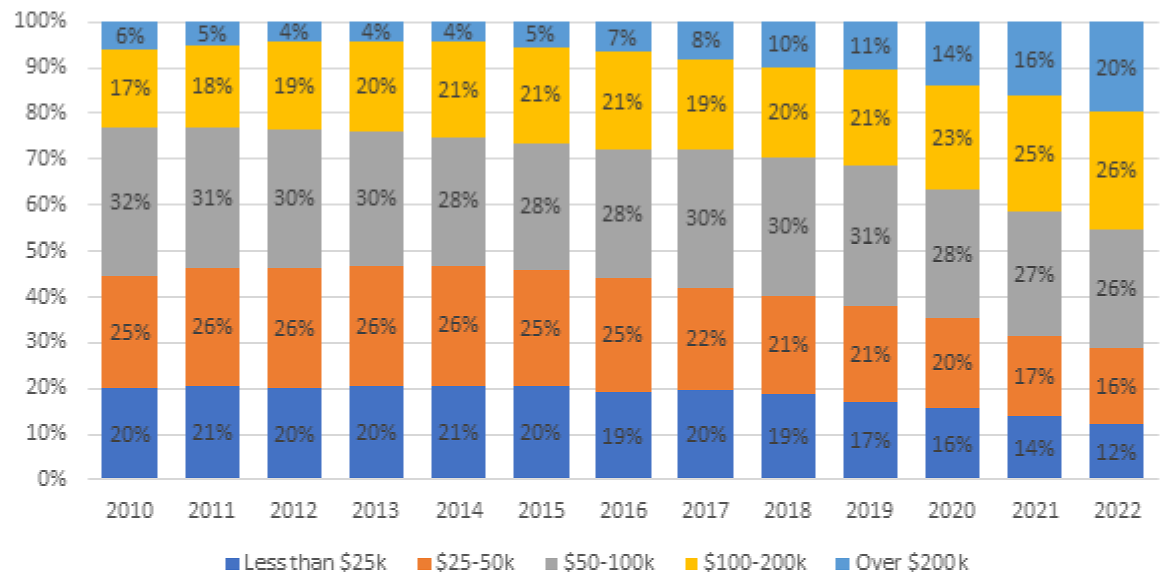
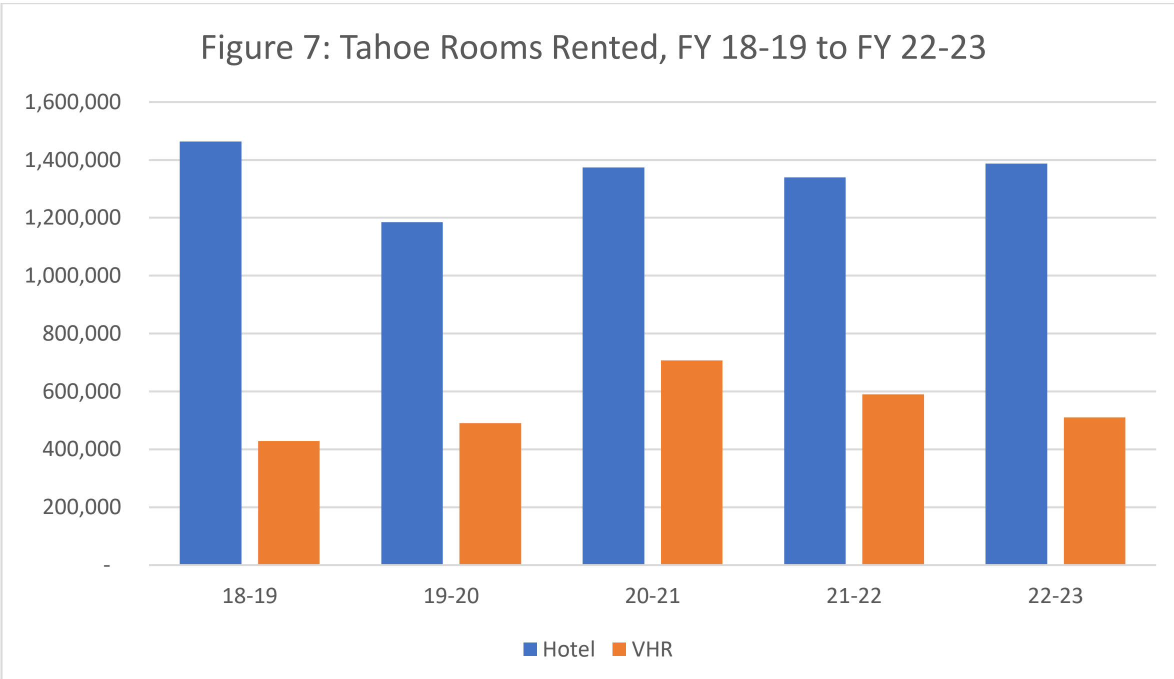


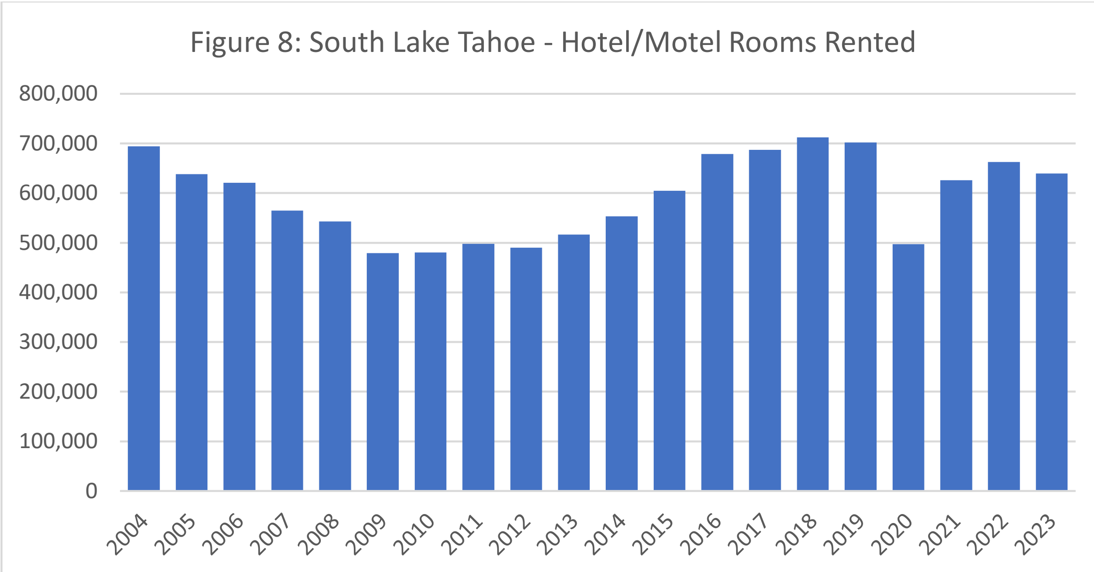
Figure 6: Household Income Categories (% of Households, ACS 2010-2022)

Overnight Lodging Occupancy

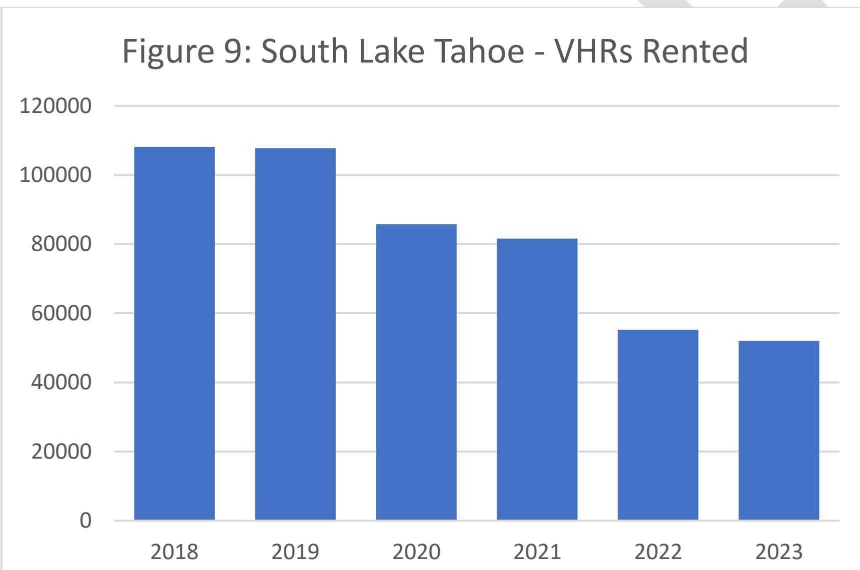
In recent years, hotel occupancy has decreased slightly, with much larger shifts in vacation home rentals. The number of hotel rooms occupied regionwide has consistently been around 1.4 million per fiscal year, with a sharp decrease during the COVID-19 shutdowns. Conversely, VHR occupancy increased significantly during the pandemic years and has been steadily decreasing since, though VHR occupancy remains higher than pre-pandemic levels. VHR data is incomplete before fiscal year 2019-20, so numbers for those years may be underestimated. El Dorado County only reports tax collections, with rooms rented estimated based on average rates for 2022. Douglas County began collecting VHR data in fiscal year 2019-20, though TRPA believes that county reported figures are far below actual.



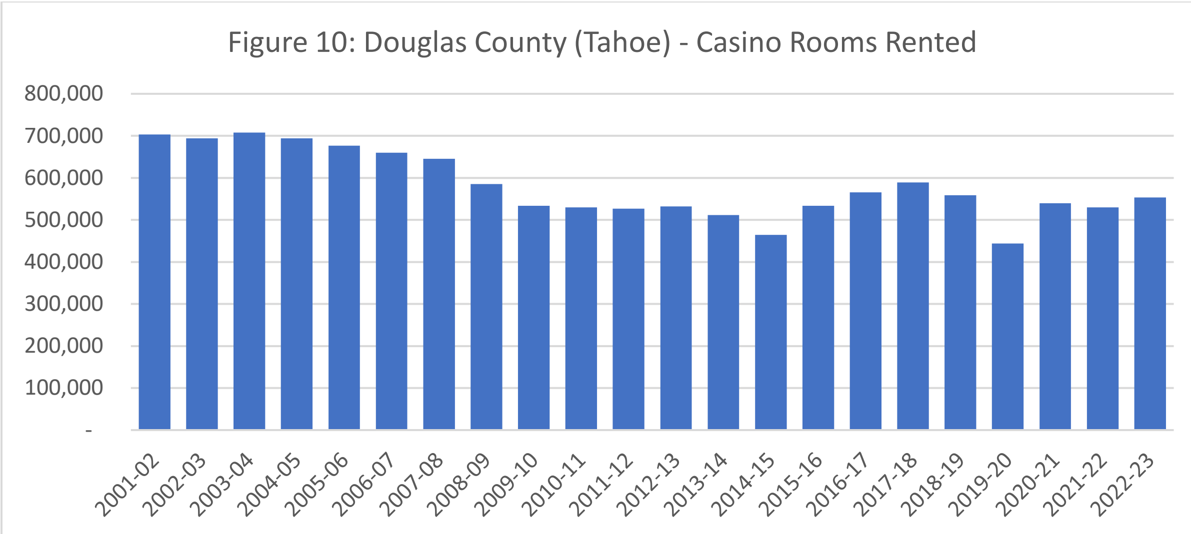
Source: City of South Lake Tahoe TOT Reports, Nevada Gaming Abstract Report, Reno-Sparks Convention & Visitors Authority, Placer County Revenue Services, El Dorado County Treasurer-Tax Collector, Douglas County Finance Department



Source: City of South Lake Tahoe TOT Reports, https://www.cityofslt.us/588/TOT-Reports

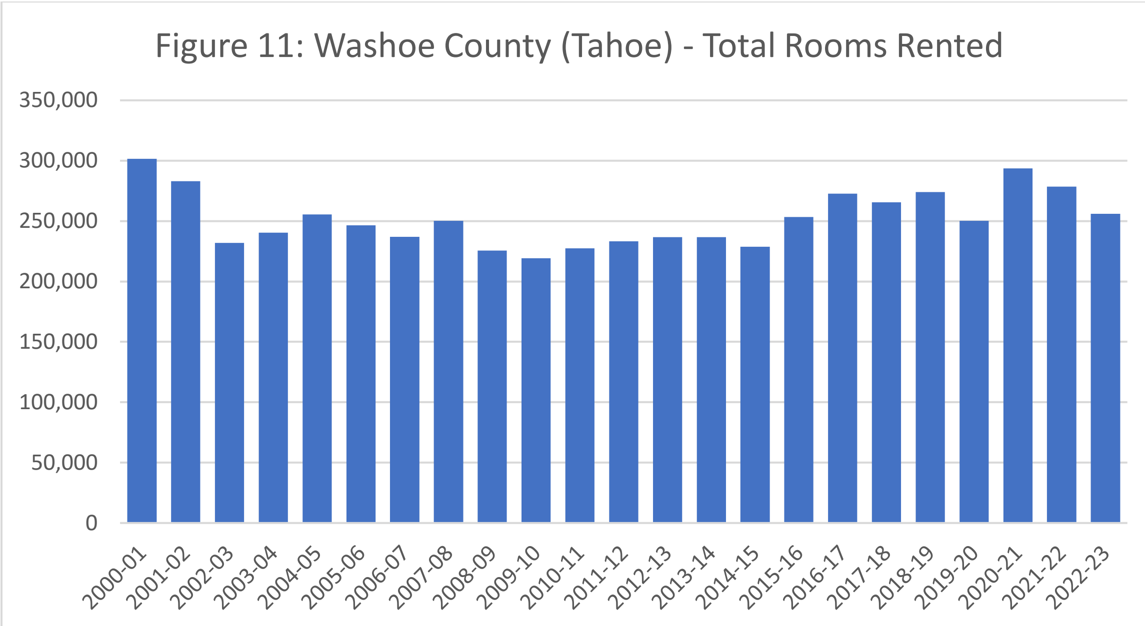


Source: City of South Lake Tahoe TOT Reports, https://www.cityofslt.us/588/TOT-Reports

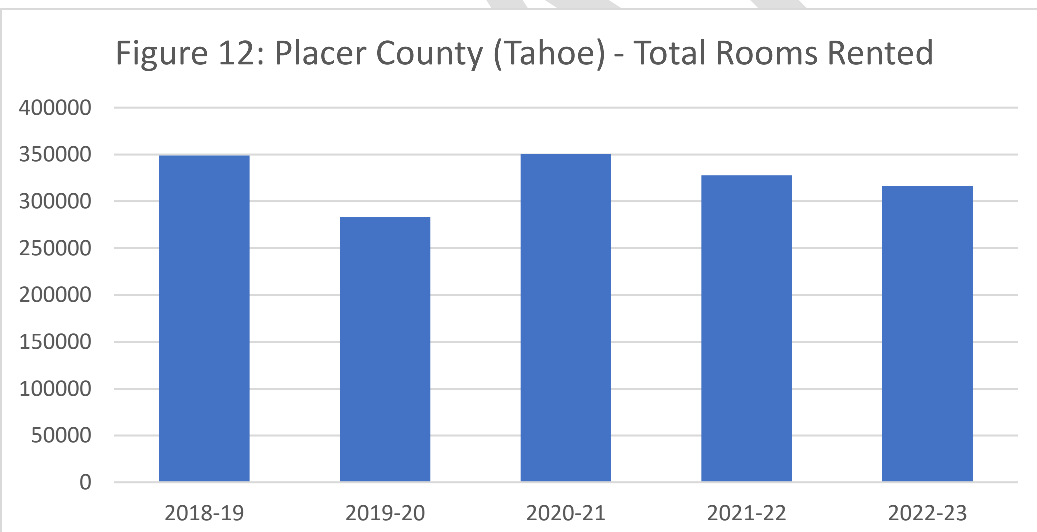


Source: Nevada Gaming Abstract Report, https://gaming.nv.gov/about/abstract/report/

In recent years there has been a large increase in the average price per room in the region, and a drop in the proportion of occupied rooms. Between 2018 and 2022, the number of hotel/motel rooms occupied in the city of South Lake Tahoe decreased by 7%. The number of rooms occupied is similar to both pre-COVID and pre-recession levels. The number of VHRs occupied in South Lake Tahoe fell by about 50% between 2018 and 2022, likely due to fewer available VHR properties due to Measure T. Douglas County casino occupancy (South Shore) has declined over the last two decades (Douglas County Room Tax Reports, 22-23). The total rooms occupied in the 2022-2023 fiscal year was 80% of that in 2001-2002. Occupancy has remained stable since 2009-10, excluding a sharp decrease during the initial stages of the COVID-19 pandemic. Occupancy in Washoe County has varied over the last 20 years, but has remained relatively flat. While 2020-2021 had the highest single-year rooms occupied since 2000-2001, this may be due to travelers seeking out private vacation rentals instead of hotels, and most of Washoe County's lodging stock is these vacation rentals.



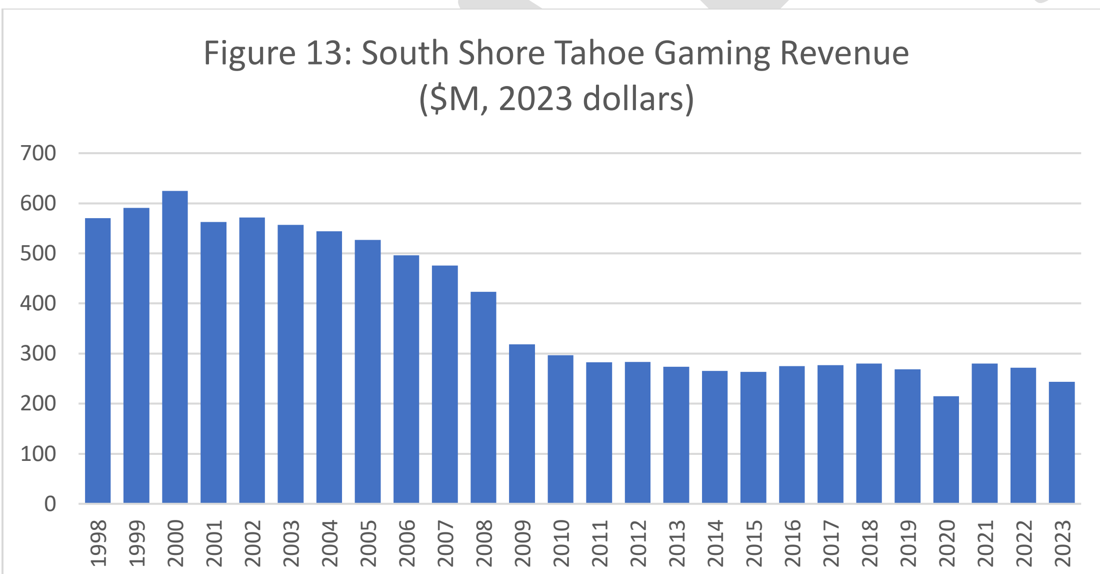
Source: Reno-Sparks Convention & Visitors Authority



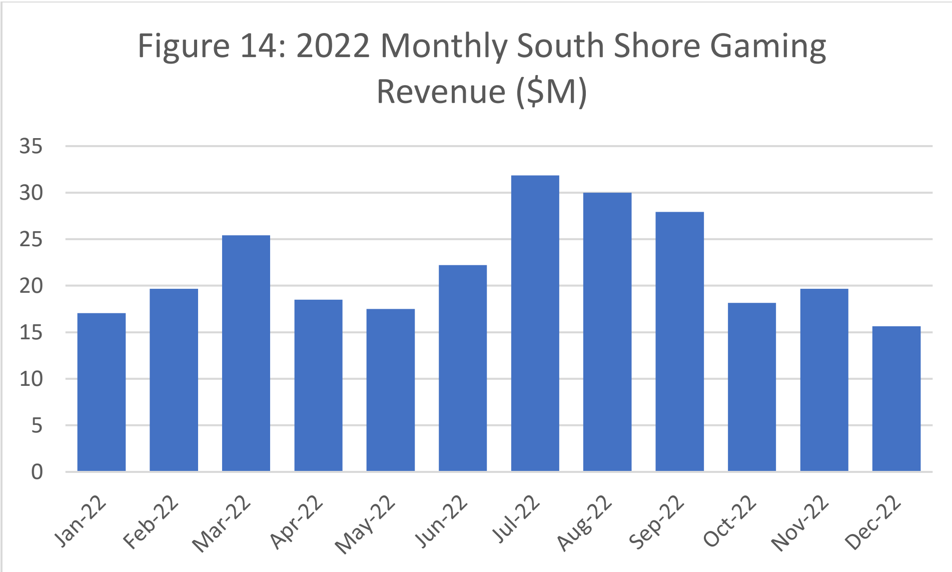
Source: Placer County Revenue Services

Gaming Revenue

Gaming revenue is an important metric in the Tahoe region because of the historic and present-day attraction of visitors to the casino industry. Although the casinos still attract many visitors traveling to the region, gaming revenue in Tahoe has declined significantly within the last 25 years. Adjusted for inflation, revenue in 2022 was half of what it was during the decade between 1996-2005 (LTVA-NGCB 2023). Gaming revenues steadily declined between 2005 and 2010 but have been relatively stable since. On average, 90% of gaming revenue in the Region is generated on the South Shore and exhibits strong seasonal patterns. Revenue generally peaks during the highest levels of visitation, which occur in July. Over the last five years, the average monthly revenue has been $19.4 million. Monthly average revenue peaks in July, when it has averaged $30.2 million. Partitioning monthly revenue into quartiles, a distinct high season (July, August, September) can be identified, where revenue averages over $25 million. In recent years, there has been a less distinct "low season," with revenue averaging between $17-$19 million outside of the summer months. A notable exception is the beginning of the COVID-19 pandemic in 2020, when casinos were closed and gaming revenue was negligible. Employment in the gaming sector has followed the larger trend of gaming revenues of the last 20 years. In 2022-23, the South Shore casinos employed 2,236 people, a 60% decline from the 5,660 employed 20 years earlier (NGCB 2003, 2023).



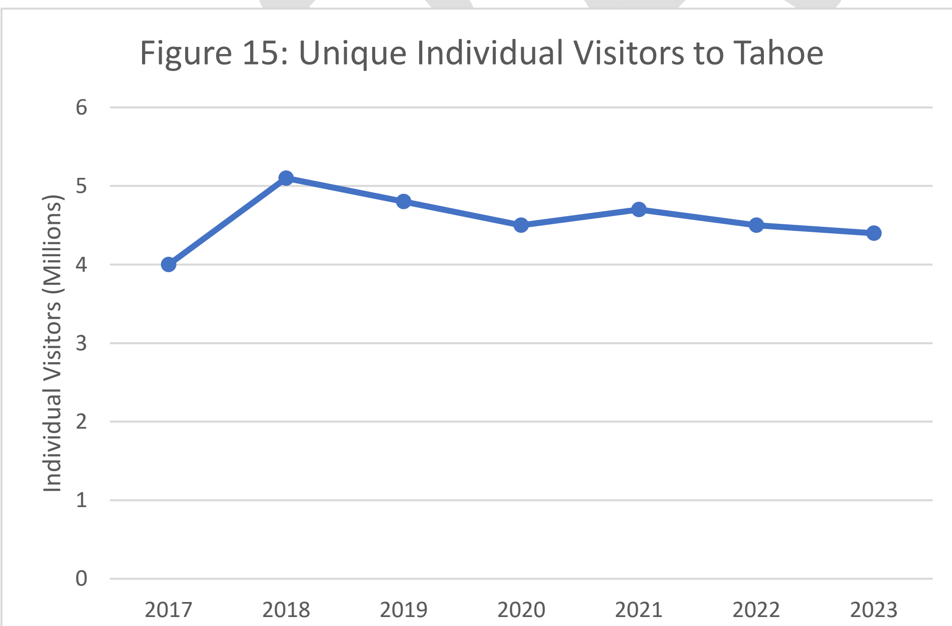
Source: Lake Tahoe Visitors Authority



Source: Lake Tahoe Visitors Authority

Visitation

Estimates of daily number of people in the Tahoe Region were obtained using Placer.ai, a big data platform used by many hospitality and retail companies to track foot traffic in the United States.



Average number of individuals in Tahoe peaked in 2018, with an average of over 150,000 individuals in the Tahoe Region on any given day in that year. 2020 had a higher number of people/day than 2019 but fewer individual visitors, suggesting that visitors spent more time at Tahoe, likely because they spent more time occupying second homes at the height of the pandemic. People per day sharply decreased in 2021 due to the Caldor Fire and has been on a slow rising trend through 2022 and 2023.

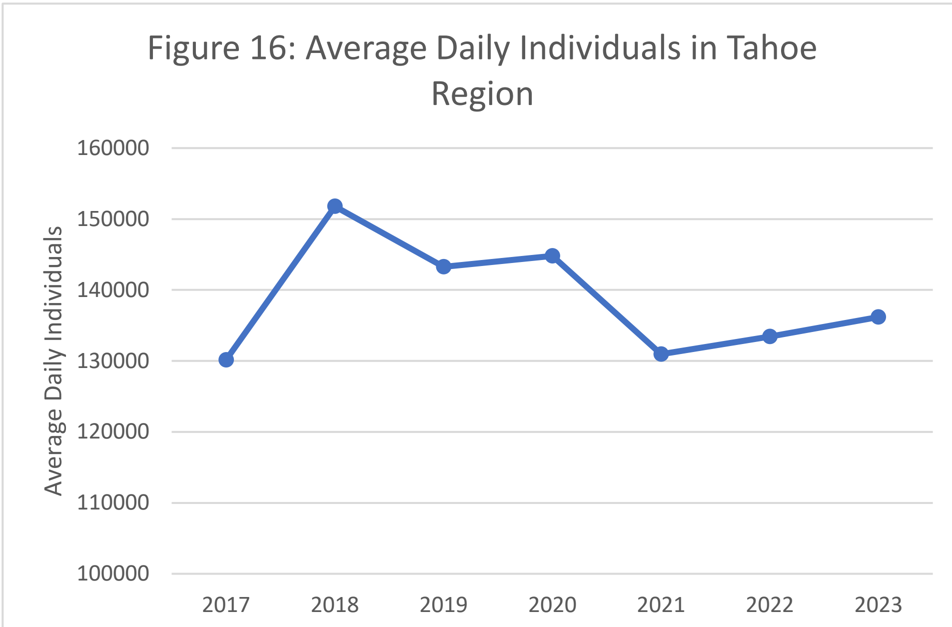


Figure 16: Average Daily Individuals in Tahoe Region

U.S. Forest Service Visitation

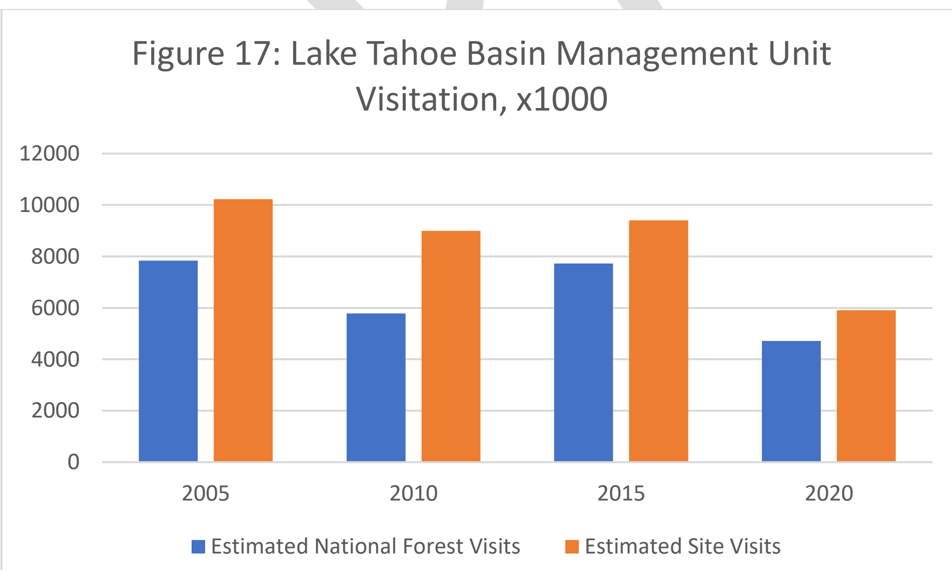


Figure 17: Lake Tahoe Basin Management Unit Visitation, x1000

Source: USFS National Visitor Use Monitoring Survey

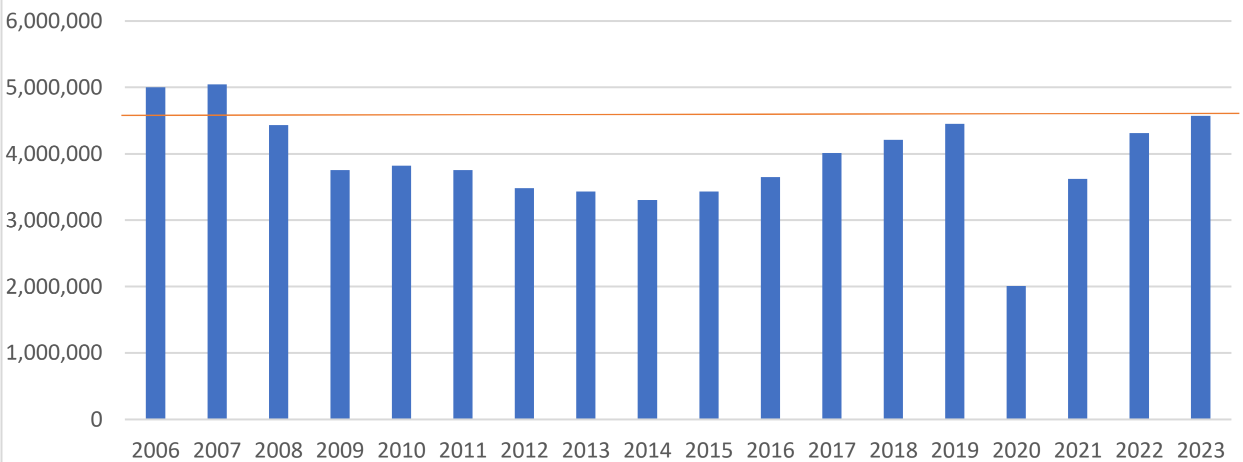
The U.S.D.A. Forest Service (USFS) owns and manages approximately 78% of the land area in the Tahoe Region, including nearly 155,000 acres of beaches, campgrounds, developed recreation areas and hiking/biking trails. Every five years the USFS conducts its National Visitor Use Monitoring (NVUM), which "provides reliable information about recreation visitors to national forest system managed lands at the national, regional, and forest level." USFS standardized the NVUM survey methodology prior to 2005 and four surveys (2005, 2010, 2015, 2020) are available for the Tahoe region (USFS LTBMU 2018, 2019a, 2019b, 2024). USFS does not recommend comparing visitation data collected prior to 2005 to the NVUM data sets. The survey quantifies visitation across several dimensions, but to assess overall trends in aggregate visitation in the Tahoe region, two measures stand out for their importance: Total Estimated Site Visits and Total Estimated National Forest Visits. Total Estimated Site Visits count the number of individual visitors to each National Forest site or area to participate in recreation activities in a national forest. Individual visitors that visit multiple sites in the same national forest are counted individually in this measure. Total Estimated National Forest Visits quantifies the total number of visitors to the national forest. Total Estimated Site Visits reflects the number of people estimated to have visited the individual sites (e.g., Nevada Beach, Meeks Bay) so it is likely more reflective of the visitor experience at individual sites.

Visitation to LTBMU sites appears relatively stable over the period between 2005 and 2020 (USFS LTBMU 2018, 2019a, 2019b, 2024). The observed change over the 15-year period is all within margin of error for the surveys (USFS LTBMU 2018, 2019a, 2019b, 2024). The 2020 survey was conducted during the COVID-19 pandemic, so the results treated with appropriate caution, and the declines may not be indicative of a larger trend.

Airline Passenger Volumes at Reno Tahoe International Airport

The Reno Tahoe International Airport has a significant role in visitation to the Tahoe Region, as increases in the number of passengers through the airport can affect both overnight and day visitation to the Tahoe Region. The Reno Tahoe Airport Authority publishes monthly data on passenger volumes through the airport (Figure 18). Passenger volumes dropped precipitously during the Covid-19 pandemic, with lower volumes through 2020 and 2021. By 2022, passenger volumes through Reno had recovered and exceeded 2018 levels. Passenger volumes have continued to rise since 2022, with the full year 2023 volumes reaching the highest level since 2007, and through August 2024, ten of the last twelve months have recorded the highest monthly passenger volumes since 2018.

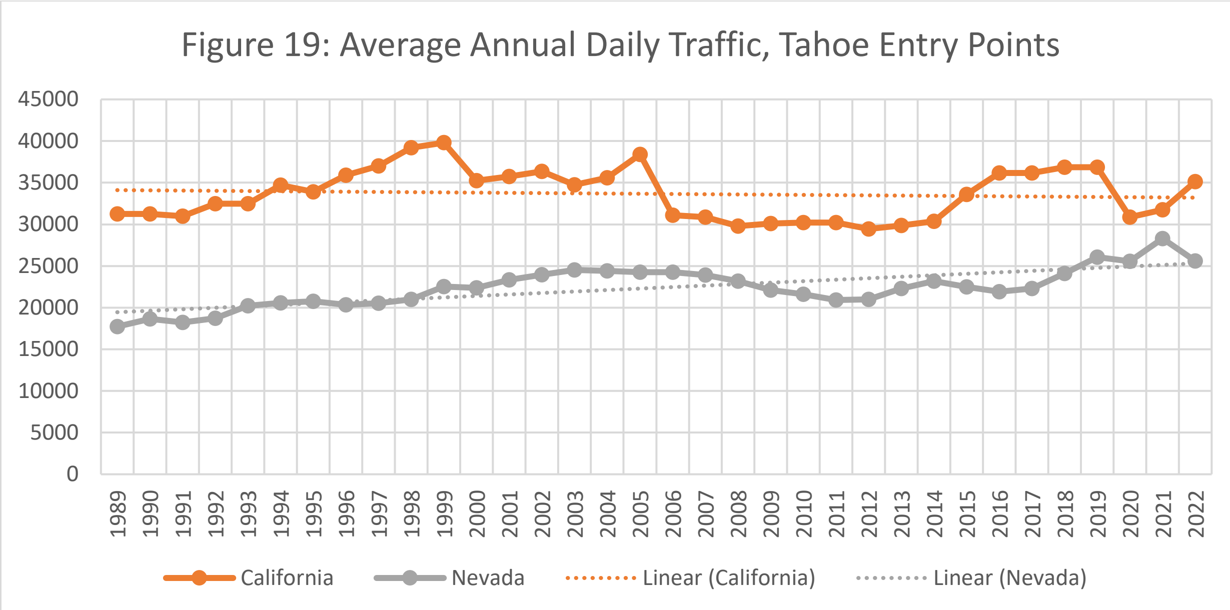
Figure 18: Reno Tahoe International Airport: Total Passengers



Source: Reno-Tahoe Airport Authority, Reno-Tahoe Internatiional Airport: Passengers and Cargo Statistics Reports 2006-2023, https://www.renoairport.com/airport-authority/facts-figures/s

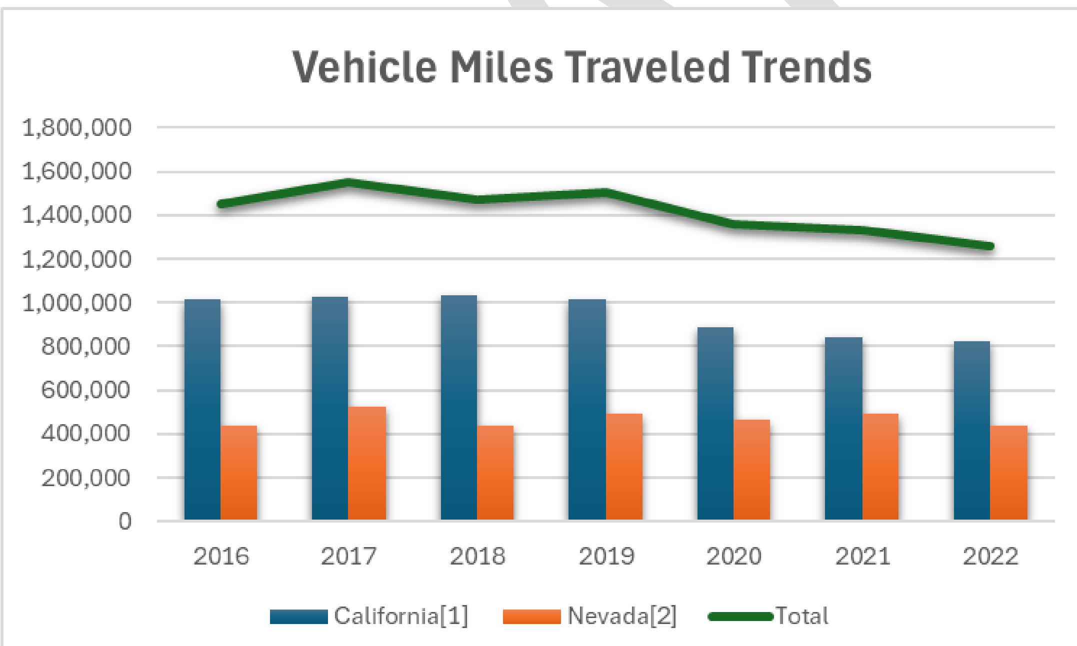
Traffic Volumes

Trends in historic traffic volume will not necessarily continue but can provide an indication of potential visitation and residential travel scenarios. Moreover, historic observations can help ground truth and put the forecasted volumes in perspective. Figure 19 shows annual average daily traffic at Tahoe entry points, stratified by state. These counts include traffic in and out of the Tahoe region. California and Nevada are split because these states exhibit very different trends. Traffic at the California entry points peaked in 1999 with nearly 40,000 daily entries and exits, with a lower plateau of about 36,000 entries/exits in the mid-2010s. Though there has been a slight decreasing trend in recent years, California entries have been relatively flat over the long term. Nevada has seen a generally increasing trend over the past 35 years, with an increase in the 1990s and early 2000s, a decrease during the late 2000s and early 2010s, and an increase since 2011. Nevada entry/exit numbers peaked in 2021, with traffic counts falling in 2022 and again in 2023. Combined, entries and exits have a slight increasing trend since 1989, but this is entirely driven by Nevada.



Source: Caltrans and Nevada DOT average annual daily traffic reports

Figure 20: Vehicle Miles Traveled Trends



Source: Caltrans and Nevada DOT annual vehicle miles traveled reports

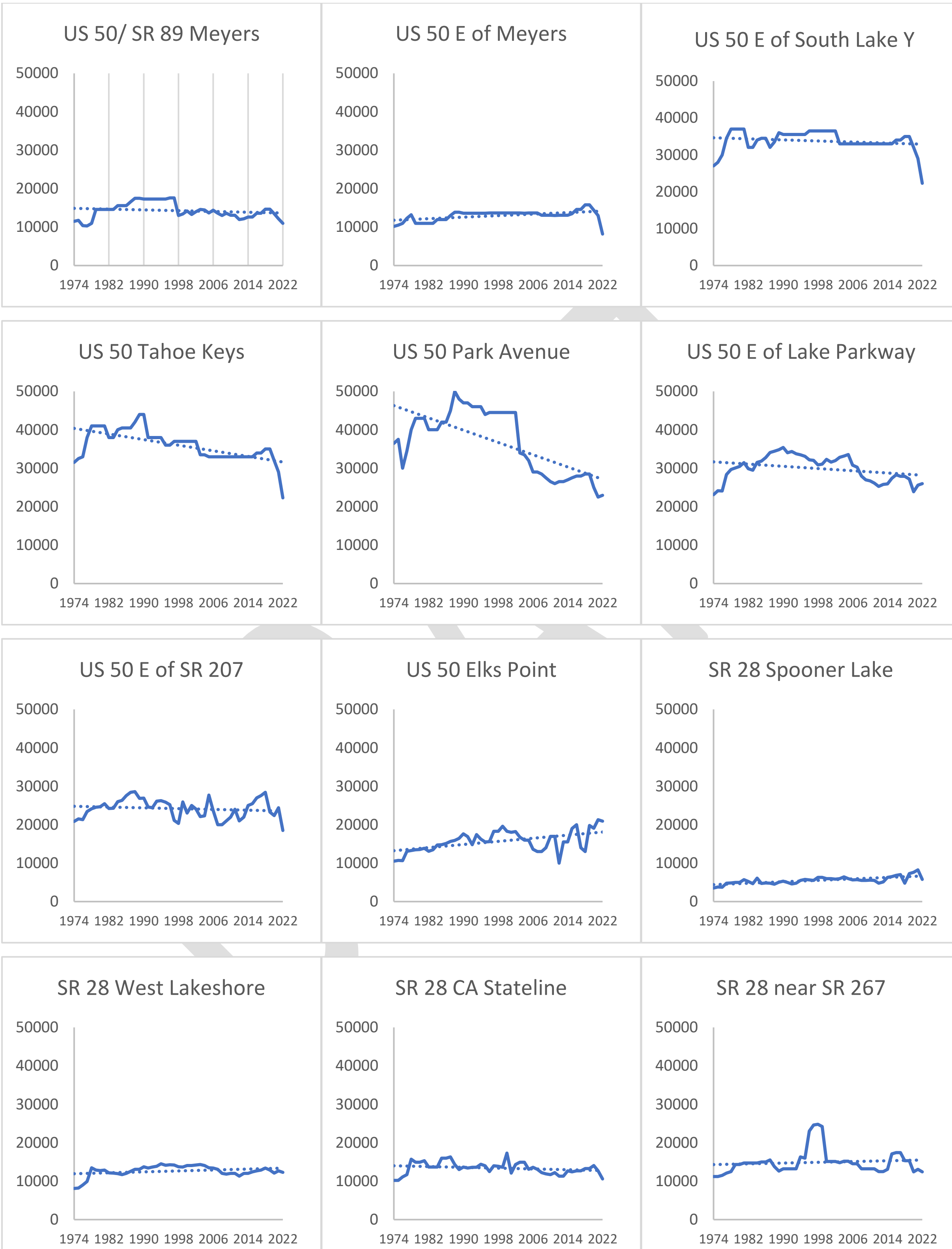
On a regionwide scale, annual average daily vehicle miles traveled (VMT) figures reported by the California Department of Transportation (Caltrans) and Nevada Department of Transportation (NDOT) through the Highway Performance Monitoring System (HPMS) provide an estimate of daily vehicle travel in the Tahoe region. Since 2016, annual average daily VMT has generally decreased in the Tahoe region, with a reported 20% decrease in the California portion of the region. VMT in the Nevada portion of the jurisdiction has remained relatively flat, with 2016 VMT approximately equal to 2022 VMT.

Historic traffic volume data is available for 18 different permanent traffic count stations that have been maintained by Caltrans and NDOT on highways throughout the Tahoe region for several decades (Caltrans and NDOT). These stations show trends back to 1974, before the peak of Tahoe casino gaming.

Figure 21: Caltrans and NDOT Traffic Count Locations, 1974 – 2022

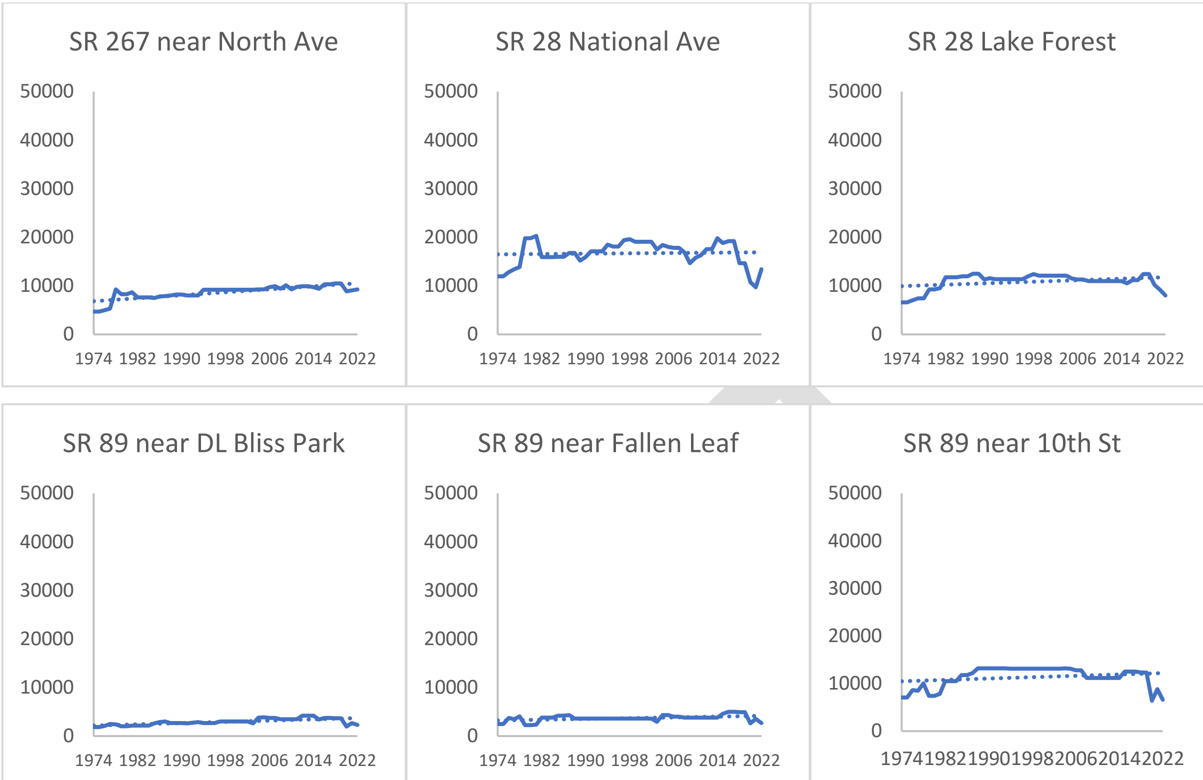
Generally, the US 50 corridor west of the south shore casino core has seen a decreasing trend, while other parts of the region have seen flat to increasing traffic counts. Historically, Tahoe visitation was driven by visits to the casinos, with many visitors arriving from Northern California by car and using US 50 as their route to and from the casinos. The rise of legal gambling in California corresponded to a drop in visits to Tahoe casinos and travel along US 50. At some count stations along US 50, current annual average daily traffic (AADT) is 20,000 vehicles per day lower than the 1990s peak. Despite lower casino visitation and gaming revenues, other parts of the region have experienced a rise in visitation due to increasing popularity of outdoor activities. Count stations on the recreation-heavy east and west shores of Lake Tahoe have seen notable gains in vehicle counts, as have those on the north shore. While the magnitude of change here is much less than the drops on the south shore, an increasing trend is present.

Figure 22: Average Annual Daily Traffic, 1974 to 2022



Source: Caltrans and Nevada DOT average annual daily traffic reports

Figure 20 (Continued): Average Annual Daily Traffic, 1974 to 2022



Source: Caltrans and Nevada DOT average annual daily traffic reports

Regional Development Trends

The Regional Plan establishes development limits for specific types of development (residential, tourist accommodation, and commercial). By metering development, this growth management mechanism ensures that development is consistent with progress toward attaining and maintaining environmental thresholds. Table 1 summarizes the current inventory of existing units of use in the Region, estimated banked units, remaining allocations and total development potential for residential units, commercial floor area, and tourist accommodation units. These data reflect the results as of the end of 2022 as that period represents the base year for the RTP/SCS.

As of December 31, 2022, as shown in Table 1, existing, on-the-ground development in the Lake Tahoe Region is currently 92 percent built-out for residential development, 89 percent built-out for commercial floor area and 90 percent built-out for tourist accommodation units. Approximately 6 percent of the Regional residential units, 7 percent of commercial floor area, and 3 percent of tourist accommodation development potential remains to be allocated from TRPA incentive pools and local jurisdictions' development right pools. The remaining balances include previously existing development rights that have been removed, restored, and banked for future use onsite or for conversions or transfers.

Table 1. *Summary of units of use, bonus units, and commercial floor area inventory*

	Existing[A]	Banked[B]	Remaining Allocations/ Bonus Units/Units of Use	Total Existing, Banked, and Potential Development
Residential Units of Use (RUUs)	49,424	345	3,340 (592 Unused Residential Allocations Released to Local Jurisdictions)[C] (1,448 Residential Bonus Units)[D] (1,300 Unreleased Residential Allocations)[E]	53,109
Commercial Floor Area (CFA) (in sq. ft.)	6,486,960	289,120	529,880 (169,452 in Local Pools Remaining from 1987 Plan) (160,428 Remaining in TRPA Pool from 1987 Plan) (200,000 Allocated by 2012 Regional Plan)[F]	7,305,960
Tourist Accommodation Units (TAUs)	11,805	976	342 (130 in Area/Community Plans) (138 Reserved for Homewood/Boulder Bay/Tahoe City Lodge Projects) (74 in TRPA Bonus Unit Pool)	13,123

Notes:

A. Existing as of December 31, 2022. Estimated based on a GIS and county assessor's data, Lidar, and TRPA permit data. Approved projects that are not yet completed are not counted as existing and their development rights remain in the development potential.

B. Updated Banked totals based on Lake Tahoe Info Parcel Tracker records, TRPA analysis of file/permit data, communications with CA/NV land banks and local jurisdictions. Banked units in the local jurisdiction lines include public and privately owned parcels with approved banked development rights. Includes units received from transfers but not yet constructed.

C. Includes remaining Residential Allocations from 1987 Regional Plan and remaining Residential Allocations released to local jurisdictions from the 2012 Regional Plan allocations.

D. Includes the 2012 Regional Plan allocation of 600 Residential Bonus Units that shall only be used in Centers.

E. The 2012 Regional Plan authorized 2,600 new Residential Allocations to be released through 2032, with a yearly allocation of units to the local jurisdictions. To date, TRPA has released 1,300 Residential Allocations from this authorization between 2013 and 2022; 1,300 allocations remain to be distributed to jurisdictions.

F. The 2012 Regional Plan allocation of 200,000 square feet of CFA will not be made available until the remaining CFA from the 1987 Regional Plan is exhausted.

Source: LakeTahoeInfo.org/Parcel Tracker, TRPA Accela Permit Records, TRPA project application files, and local jurisdiction accounting records.

Residential

The Lake Tahoe Region is approaching full build-out for residential development, and TRPA's growth controls will meter out most of this remaining development over the next few decades. As of December 31, 2022, there were 49,242 residential units built within the Region; this represents 93 percent of the maximum residential development. Approximately two percent of the remaining residential development potential is currently available for construction, including previously existing residential units that have been removed, restored and banked for future use and remaining unused residential allocations that have been released to the jurisdictions. The remainder of the residential units are to be metered out over the next ten years or are to be used as bonus incentives for the construction of income-restricted housing, sensitive lot retirement, or for the transfer of residential development to town centers.

TRPA regulates the rate and timing of new residential growth by issuing a limited number of residential allocations each year to local jurisdictions. The 2012 Regional Plan amendments authorized 2,600 new residential allocations to be released through 2032, with a yearly allocation of 130 units to be released based on achievement of environmental and permit compliance performance measures. Since 2013, TRPA has released 1,300 residential allocations to local jurisdictions, of which 31 percent have been subsequently assigned to new residential development projects. TRPA has also placed 102 residential allocations into the TRPA Incentive Pool, for projects that result in sensitive lot retirement.

Residential Bonus Units (RBU) are special development rights under the Regional Plan that are awarded by TRPA as an incentive. TRPA may award RBUs to projects that permanently guarantee affordable, moderate, and achievable housing, for the onsite removal and retirement of excess coverage in Town Centers, or for the transfer of existing or potential development from sensitive or remote areas into Town Centers.

As of December 31, 2022, 1,448 RBUs are remaining to be awarded by TRPA. This figure includes 146 RBUs that have been permitted to projects that are actively under construction at the time of publication, and 155 RBUs have been permitted to projects that have not yet been started.

As a result of the conversations to date, 97 additional residential units have been added throughout the region, while the number of TAUs has been reduced by 65 units and CFA reduced by more than 30,500 square feet.

Commercial

The Tahoe Regional Planning Agency regulates commercial structures in the Lake Tahoe Region by issuing commercial floor area (CFA). Commercial floor area is based on the square footage within the outer wall of a commercial building, not including stairwells and airshafts. Accessory features such as parking areas, driveways, outside stairways, and walkways are not included in the calculation of CFA. CFA is allocated by TRPA through the Regional Plan and local jurisdictions primarily through an adopted area plan or community plan.

As of December 31, 2022, nearly 6.5 million square feet of CFA, or 89 percent of the maximum development potential, is built within the Region. In addition, more than 289,000 square feet of previously existing CFA has been removed, restored, and banked for future use, conversion, or transfer. Approximately 65 percent of the existing CFA is located in town centers and 59 percent of existing CFA is located on non-sensitive lands.

Tourist Accommodation Units

Tourist accommodation units (TAUs) are defined as units with one or more bedrooms and with or without cooking facilities that are primarily designed to be rented by the day or week and occupied on a temporary basis. TAU bonus units are reserved for special projects that transfer existing units from sensitive lands that have been restored, as incentives for the transfer of existing development to centers, or as incentives for the removal and retirement of excess coverage.

As of December 31, 2022, there are 11,805 existing TAUs within the Region, 90 percent of the maximum development potential for tourist units. In addition, 976 previously existing TAUs have been removed and banked for future use, conversion, or transfer. These figures include more than 850 units that have been allocated and/or transferred to permitted projects which are not yet constructed. These figures also include, the Tahoe City Lodge, Waldorf Astoria Lake Tahoe (formerly Boulder Bay), and Homewood Mountain Resort projects have been approved to receive 138 units from the TRPA bonus unit pool (previously the Community Enhancement Program Pool). Also included in the existing development totals are the units for Lakeside Inn, which were existing in the 2022 base year, but were removed, restored and banked in 2024.

Observed Development Rates

The TRPA Lake Tahoe Regional Plan, Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), and other agency documents must assess their environmental effects. Prior agency documents, including the 2012 Regional Plan and 2017 RTP/SCS took a conservative approach by assuming complete build out (100% utilization of all remaining development rights) through their forecast periods. This methodology assessed environmental impacts if the Basin were to reach maximum development capacity. However, the observed rate of development in the ten-year period after the adoption of the 2012 Regional Plan (2013-2022) has significantly lagged behind the rates that were forecasted in both the 2012 Regional Plan and the 2017 RTP/SCS (Table 2).

Table 2: Years to Build Out, Previously Forecasted Rates and Observed Rates of Development

	Remaining Development Rights as of 2022	Observed Rate		Prior Forecasts		
		Actual Rate of Utilization 2013-2022 (per year)	Actual Rate of Utilization 1987-2022 (per year)	2012 RP Utilization Rate (per year)	2017 RTP/SCS Utilization Rate (per year)	2020 RTP/SCS Utilization Rate (per year)
CFA	819,000	2,413*	13,173	25,374	41,831	7,650
TAU	3,138	-48*	2	15	36	35
Residential	3,685	103	177	209	229	172

*** Actual rate of CFA and TAU includes previously existing development that was removed, restored, and banked between 2013-2022, including nearly 500 TAUs and more than 200,000 sf CFA. Many of these rights are planned for permitted development onsite or planned for transfer or conversion to permitted projects that have not yet been constructed.**

In order to account for full build out of the plan, the 2017 RTP/SCS accelerated the forecasted rate of utilization from the 2012 RP for the remaining development rights. For example, the 2012 Regional Plan assumed that 209 residential units would be developed per year. The 2017 RTP/SCS increased the forecasted rate per year to 229 units.

1. Build Out Assumptions

The Regional Plan caps development capacity in the Basin using the development rights program. As of 2022, the Region is 91.4% built out (Table 3) relative to these Regional Plan caps.

Table 3: Regional plan development capacity of each development right.

	Existing	Banked	Remaining Allocations (Non-TRPA)	TRPA Bonus /Incentive Pools	Total Development Potential
Commercial Floor Area (CFA)	88.8%	4.0%	2.3%	4.9%*	100.0%
Tourist Accommodation Units (TAUs)	90.0%	7.4%	1.0%	1.6%	100.0%
Residential (RUUs, RBUs and Residential Allocations)	93.1%	0.6%	3.8%	2.5 %	100.0%
All Development Rights[+]	91.4%	2.6%	3.0%	3.0%	100.0%

* Includes the 200,000 square feet of CFA added in the 2012 Regional Plan that shall only be assigned to local jurisdictions when all of the remaining CFA from the 1987 Regional Plan is exhausted.

[+] Utilizes development rights conversion ratios to estimate the proportion of all development rights.

Note: Rights expressed as a fraction of total development, that is constructed or banked (existing), remaining in allocation pools held by local jurisdictions, and remaining in TRPA bonus/incentive pools.

The sections below provide a more detailed discussion of the observed utilization rates and the previously forecasted rates by each development right type.

1.1 Residential Allocations

There are currently 1,892 residential allocations remaining that can be constructed for residential development. Every year, TRPA releases 120 residential allocations to the local jurisdiction pools and 10 units into the TRPA residential allocation incentive pool for sensitive lot retirement. Since 2013, an average of 72 residential units per year have been allocated to projects by TRPA and the local jurisdictions from these pools. The current rate of residential allocation use is 45% lower than was forecast in the 2012 Regional Plan, 50% lower than the 2017 Regional Transportation Plan forecast, and 13% lower than the 2020 RTP forecast. At the rate of utilization over the past ten years (72 units per year), the pool would not be exhausted until 2048, 26 years from now. Table 4 shows the historical rate of utilization for residential allocations, as well as the rates necessary to achieve full use of residential allocations by 2035 and 2050 respectively.

Table4: Residential Allocations, Previously Forecasted Rates and Observed Utilization Rates

	Observed Rates		Utilization Rates Needed to Reach Full Build-Out	
	1987-2022 Rate	**2013-2022 Rate**	**By 2035**	**By 2050**
Residential Allocations	177 / year	72 / year	146 / year	68 / year

1.2 Residential Bonus Units (RBUs)

Residential bonus units are awarded as an incentive for affordable, moderate-income, achievable, or workforce housing[1], as a transfer incentive for relocating sensitive and remote development into town centers, or for the removal and retirement of excess coverage. A total of 29 residential bonus units have been allocated to constructed projects since 2013, a rate of just under three per year. The current rate of utilization is just 3% of the forecast used in prior forecasts. There are currently 1,448 residential bonus units remaining in TRPA and local jurisdiction pools. However, there are several projects currently under construction that will complete 146 units by 2025, and another 155 units that have been permitted to projects that have not yet started construction. Therefore, we anticipate faster utilization of residential bonus units in the coming period.

The table below (Table 5) shows the historical rate of utilization for residential bonus units, as well as the rates necessary to achieve full build-out of residential bonus units by 2035 and 2050 respectively.

Table 5: Residential bonus unit utilization between 1987-2018, 2012-2022, and required future rates to utilize all remaining units by 2035 and 2050 respectively.

	Observed Rates		**Utilization Rates Needed to Reach Full Build-Out**	
	1987-2022 Rate	**2012-2022 Rate**	**Rate to Utilize All Units by 2035**	**Rate to Utilize All Units by 2050**

[1] TRPA defines “affordable” homes as for ownership or rental by families who make up to 80% of Area Median Income (AMI), “moderate” as homes that are affordable for ownership or rental by families who make between 80% and 120% of AMI, and “achievable” as a variable percentage based on the area median income, buying power, and the median-priced home for the area.

Residential Bonus Units	16 / year	3 / year	111 / year	52/ year

1.3 Commercial Floor Area (CFA)

There is currently 530,000 square feet of un-used commercial floor area in TRPA and local jurisdiction community/area plan pools, and another 289,000 square feet of CFA that have been removed, restored, and banked from previously existing development. Since 2013, a net total of 24,130 square feet of CFA have been added by projects; an average rate is 2,413 square feet of CFA per year. This figure includes new CFA allocations of approximately 5,000 square feet per year combined with the removal and banking of 2,800 square feet of previously existing CFA per year; more than 30,000 square feet of banked CFA has been converted to residential units since 2013.

The 2017 RTP modeled the complete build-out of all remaining CFA by 2035, equivalent to an annual rate of 41,831 sq. ft per year. That allocation rate is more than seventeen times the current allocation rate, and more than triple the rate of CFA allocations observed since adoption of the 1987 Regional Plan (3,173 square feet per year). At the current rate of utilization, the remaining CFA would not be completely developed for more than 300 years. Table 6 shows the historical rate of utilization for commercial floor area, as well as the rates necessary to achieve full use of CFA by 2035 and 2045 respectively.

Table 6: Historical commercial floor area utilization between 1987-2022, 2012-2022, and required future rates to utilize all remaining CFA by 2035 and 2050 respectively

	Observed Rates		**Utilization Rates Needed to Reach Full Build-Out**	
	1987-2022 Rate	**2012-2022 Rate**	**Rate to Utilize All CFA by 2035**	**Rate to Utilize All CFA by 2050**
Commercial Floor Area (sq. ft.)	13,173/ year	2,413 / year	63,000/ year	29,250 / year

1.4 Tourist Accommodation Units (TAU)

No TAUs have been allocated to projects from TRPA or local jurisdiction pools and constructed since the adoption of the 2012 Regional Plan[2], and only 58 TAUs have been allocated since the adoption of the 1987 Regional Plan.

Several projects have been approved for TAU allocations, but not yet constructed: Waldorf Astoria Lake Tahoe (formerly Boulder Bay) was approved for 40 Tourist Bonus Units allocated from TRPA (in addition to transferred and converted TAUs), Tahoe City Lodge was approved for 48 Tourist Bonus Units as transfer incentives for relocating development (in additional to converted and transferred units), and Homewood Mountain Resort was approved for 50 Tourist Bonus Units allocated by TRPA (in addition to transferred TAUs).

The average utilization for tourist accommodation units reflect the many previously existing TAUs that have been removed, restored and banked for future use, conversion, or transfer. At present, there are 976 banked units, including nearly 500 TAUs removed from 2013-2022, including units from the motels along Highway 50 in South Lake Tahoe for the South Lake Tahoe Redevelopment Project/Chateau/Zalanta, Colony Inn (110 units) and Knights Inn/Bijou Marketplace (107 units). Also included in the existing development totals are the units for Lakeside Inn, which were existing in the 2022 base year, but were removed, restored and banked in 2024.

Table 7 shows the historical rate of utilization for TAUs as well as the rates necessary to achieve full use of TAUs by 2035 and 2050 respectively.

Table 7: Historical tourist accommodation unit utilization between 1987-2022, 2012-2022, and required future rates to utilize all remaining TAUs by 2035 and 2050 respectively.

	Observed Rates		**Utilization Rates Needed to Reach Full Build-Out**	
	1987-2022 Rate	**2012-2022 Rate**	**Rate to Utilize All Units by 2035**	**Rate to Utilize All Units by 2050**
Tourist Accommodation Units	2 / year	-48 / year	101 / year	47 / year

[2] The constructed tourist accommodation projects, such as at Zalanta and Edgewood Lodge used banked and/or transferred units, and therefore did not receive allocations from TRPA or local jurisdictions.

Development Right Conversions and Transfers

In 2018, TRPA adopted significant changes to the development rights program to add flexibility and promote conversions between the different types of development. In addition, the transfer incentives adopted in 2012 as part of the Regional Plan Update encourage the transfer of existing development from sensitive and remote areas into town centers. Determining whether and how these changes are incorporated into the development forecasts will be key to the future scenarios for land use.

2.1 Transfers

The Regional Plan allows for the transfer of existing development rights provided from one parcel to another. (TRPA Code of Ordinances Section 51.5) The plan also provides incentives to encourage environmentally beneficial transfers that: 1) remove development in environmentally sensitive areas and transfers to less sensitive areas; and 2) relocate development from remote areas into town centers which have more suitable access to infrastructure, services, and transit.

The 2020 RTP included assumptions for the rate of transfers and the location of sending and receiving parcels for each development type. These assumptions were based on utilization of the transfer incentive programs to entice to relocation of development from SEZs, Sensitive Lands, and remote area areas into Centers. The prior forecasts did not model any development right transfers to areas outside of town centers. However, while the observed transfers over the prior several years had facilitated the removal of development rights from sensitive lands, these transfers did not centralize development into town centers at the expected rate. The 2020 RTP took more conservative forecast assumptions for the transfer and conversion of development. These assumptions better reflected the observed trends from 2013-2018.

Table 8: Cumulative changes by land sensitivity from TRPA approved transfers, 2013-2022

Development Right	Stream Environment Zones	Other Sensitive Areas	Non-Sensitive Areas
Commercial Floor Area (CFA) (sq. Ft.)	0	-10,492	+ 10,492
Residential Units (ERU/PRU)	- 87	- 13	+ 100
Tourist Units (TAU)	- 109	0	+ 109

Table 9: Cumulative changes by location from TRPA approved transfers, 2013-2022

Development Right	Remote Areas	Areas within 1/4 mile of a Town Center	Town Centers
Commercial Floor Area (CFA) (sq. ft.)	0	- 16,791	+ 16,791
Residential Units (ERU/PRU)	- 46	+ 22	+ 24
Tourist Units (TAU)	- 12	0	+ 12

2.1.1 Residential

Observed transfers of residential development rights have moved development off SEZ and sensitive lands (Table 8) but have not moved development into town centers at the previously expected rate, as about half of the units have been transferred to areas just outside of centers (Table 9). Residential transfers in the past five years resulted in the net addition of 24 residential units to town centers, 60 additional units in neutral areas within one-quarter mile of town centers and 49 additional units in remote areas located more than one-quarter mile from town centers.

2.1.2 Commercial Floor Area

The 2020 RTP forecasted that all CFA transfers would leverage the incentives of the Regional Plan and that three things would result:

- 80,000 square feet of CFA from the TRPA bonus pool would be utilized.
- 120,000 square feet of CFA would be transferred from SEZ into town centers.
- CFA in town centers would increase by 206,000 square feet by 2045
- No additional CFA was projected to be built outside of town centers.

Observed transfers of CFA have concentrated more CFA in town centers (Table 9) but have not altered the distribution of CFA between sensitive and non-sensitive lands (Table 8). Since 2012, nearly 34,000 square feet of CFA have been transferred, and half of that CFA has been added to town centers, but 40% was added to remote areas. No CFA has been transferred from SEZ to non-sensitive lands.

2.1.3 Tourist Accommodation Units (TAU)

Observed transfers of TAUs have decentralized the distribution of TAUs in the Region. As a result of transfers, 144 TAU have been removed from town centers and added to remote areas[3]. Transfers have facilitated the removal of 109 TAU from SEZ and relocated to non-sensitive lands (Table 8).

2.2 Conversions

Conversions provide property owners with flexibility while maintaining the overall cap on development potential in the Tahoe Basin. By allowing conversions between the different types of development rights using environmentally neutral exchange rates, TRPA hopes to encourage more redevelopment. The current conversion ratio is 600 CFA to 2 TAUs to 2 residential to 3 multi-family residential units. Conversions of development rights were first considered in the 2020 Regional Plan forecasts.

The ability to convert between different types of development rights is relatively new. However, a clear trend that has emerged from the conversions to date: a shift from TAUs and CFA to residential development. As a result of the conversations to date, 97 additional residential units have been added throughout the region, while the number of TAUs has been reduced by 65 and CFA reduced by 30,583 square feet.

The total remaining development potential of each kind (with no conversations) is summarized in Table 10. TRPA allocations and bonus units cannot be converted without a policy change by the TRPA Governing Board, so they are not included in the conversion potential. Based on the existing conversation ratios, the table shows the maximum amount of development that could result if all development rights were converted to a single type. Based on this analysis, full build out of remaining development would be between 160,428 and 1,136,480 square feet of CFA regionally, between 212 and 3,466 TAUs, and 1,448 and 5,382 residential units. Conversions influence the proportion of development of each type, such that the maximum amount of each type listed in Table 10 cannot be realized for all types simultaneously. Both zoning and land capability influence the potential to construct development on the ground.

Table 10: Remaining development rights inclusive of conversion potential.

	Remaining Allocations in Local	TRPA Allocations / Bonus Units[1]	Conversion Potential[2]	Total Remaining - no conversions	Total remaining - max conversions

[3] The distribution of tourist accommodation units was lower in town centers and higher in remote areas the Edgewood Lodge redevelopment project is just outside the town center boundary. The project constructed 154 tourist accommodation units—including 144 transferred from motels previously located in town centers—near the South Stateline resort area.

	Jurisdiction CP/AP Pools				
CFA	369,452	160,428	606,600	529,880	1,136,480
TAU	130	212	3,124	342	3,466
Residential	1,892	1,448	2,042	3,340	5,382

[1]The TRPA Allocation and Bonus Unit pools are not eligible for conversion.

[2]Conversion potential captures the additional amount of the development right if all other development rights were converted to it. Maximum residential build-out requires all CFA and TAU to be converted to multi-family. If all were converted to single family the total number of new residential units would be 1,362.

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