

ERRATA

To include Required Motion to the Operations and Governance

Committee Agenda Item No. 5 & Consent Calendar Item No. 3

Release of \$3,700,000 in Excess Coverage Mitigation (ECM) Funds to the California Tahoe
Conservancy for Land Bank Acquisition



Mail

PO Box 5310
Stateline, NV 89449-5310

Location

128 Market Street
Stateline, NV 89449

Contact

Phone: 775-588-4547
Fax: 775-588-4527
www.trpa.gov

STAFF REPORT

Date: November 9, 2022

To: TRPA Operations and Governance Committee

From: TRPA Staff

Subject: Release of \$3,700,000 in Excess Coverage Mitigation (ECM) Funds to the California Tahoe Conservancy for Land Bank Acquisition

Summary:

As presented in the Operations Committee in October 2022, the California Tahoe Conservancy (CTC) is requesting a release of ECM funds for a potential land bank acquisition per the mutually adopted Memorandum of Understanding (MOU) between TRPA and CTC. As of September 2022, the current estimated balance of ECM funds held by TRPA for the California land bank is \$3,732,281.83. The funding request is \$3,700,000.

Required Motion:

To approve the requested release, the Board must make the following motion:

- 1) A motion to approve the release of \$3,700,000 in Excess Coverage Mitigation Funds to the California Tahoe Conservancy subject to the conditions contained in the TRPA/CTC Memorandum of Understanding

In order for the motion to pass, an affirmative vote of any eight Board members is required.

Background:

Since the 1987 Lake Tahoe Regional Plan, local land banks in California and Nevada have played a crucial role in mitigating the environmental impacts associated with the urbanization of the Lake Tahoe Basin. These partners continue to help meet local land use goals today by land and development right acquisition, the transfer of development rights, permanent retirement of land coverage, and sensitive land restoration.

As part of their Memorandum of Understanding with TRPA, the land banks receive ECM fees paid by project applicants to mitigate legally existing “grandfathered” coverage amounts. Property owners or project proponents with “excess coverage” must mitigate a portion through any of the following excess coverage mitigation program options (or combinations thereof) including reducing and restoring coverage on-site, offsite on their own, or payment of an ECM Fee in lieu of immediate coverage reduction. The majority of project applicants pay the ECM fee for continued use of the grandfathered coverage on their properties. The land banks receive ECM fee disbursements from TRPA to retire

potential coverage or restore existing coverage in sensitive areas. The land bank MOU governs the use of the ECM fee.

This continued partnership between TRPA and the land banks is a key mechanism to meet the goals and policies of the Regional Plan and accelerate threshold attainment by transferring aging development from sensitive areas into more walkable, bikeable, and transit-oriented town centers.

The California Tahoe Conservancy's land bank program, Tahoe Livable Communities, seeks to achieve goals related directly to the Regional Plan, which incentivize environmental redevelopment in pursuit of threshold attainment, such as:

- Modify the distribution of development after 2012 compared to the distribution in 2012;
- Increase the annual average number of development rights transferred to town centers from sensitive and remote land compared to the annual average prior to 2012;
- Accelerate the removal rate of existing non-residential development rights on sensitive lands;
- Improve housing availability for residents and workers;
- Increase percentage of all trips using non-automobile modes of travel (transit, bicycle, pedestrian);
- Decrease automobile vehicle miles travelled per capita (excluding through trips)
- Accelerate pedestrian and bicycle improvements; and
- Increase the rate of redevelopment.

On an annual basis, TRPA staff and CTC staff work together to set priorities for land acquisition and sensitive lands restoration that align with both the Lake Tahoe Regional Plan and California Statewide planning goals. The agreed-upon priorities then become criteria for planning, acquisition, and disposition decisions that support the Regional Plan and environmentally beneficial redevelopment, such as those listed above. Additionally, the MOU establishes monitoring, reporting, and tracking of the land bank activities and environmental improvement projects.

Request for Release of Excess Coverage Mitigation (ECM) Funds:

As of September 2022, the current estimated balance of excess coverage mitigation funds held by TRPA for the California land bank is \$3,732,281.83. The funding request is \$3,700,000. Per the MOU, up to 18% of the request may be used for administration.

The funds will be directed to acquisition and site stabilization of the 31-acre South Lake Tahoe Motel 6 site within a prime stream environment zone and stream restoration area. The site currently contains 143 tourist accommodation units, 4,450 square feet of commercial floor area, and 150,400 square feet of sensitive Class 1B existing land coverage. The project has the potential to make significant advancements in Regional Plan performance measures, environmental thresholds, and Regional Plan and Area Plan goals. TRPA has been providing staff level support in an advisory capacity including availability and use of mitigation funds and future use of banked development rights and coverage.

The total cost of this high priority acquisition will exceed the amount of ECM funds available. The ECM funds will also be used as match for other expected state funding sources to fulfill the full cost of the

acquisition. Other potential state funding sources the CTC is seeking are from the California Department of Fish and Wildlife and the California Wildlife Conservation Board.

ECM funds for the land purchase will be placed in an escrow account for the explicit use of this acquisition. Funds used for related purposes, including site stabilization and administration, will be transferred to CTC after escrow closes. The specific amounts for site stabilization and administration will be dependent on the final transaction amount and will be recorded in the invoicing process and approved at staff level.

All use of funds will be in conformance with the MOU. Funds for administration are included with the total requested amount of \$3,700,000, will not exceed 18% of the total transaction, and are expected to be less. In the event the transaction does not occur, the escrow funds will be returned to TRPA to be used for future CTC land bank acquisitions.

Contact Information

If you have any questions regarding this item, please contact Jen Self at jself@trpa.gov or (775) 589-5261.