TAHOE REGIONAL PLANNING AGENCY
REGIONAL PLAN IMPLEMENTATION COMMITTEE

GoToWebinar October 27, 2021

Meeting Minutes

I. CALL TO ORDER AND DETERMINATION OF QUORUM

Chair Mr. Yeates called the meeting to order at 9:30 a.m.

Members present: Ms. Aldean, Mr. Bruce, Mr. Friedrich, Ms. Gustafson, Mr. Yeates

Members absent: Mr. Lawrence

II. APPROVAL OF AGENDA

Mr. Hester stated no changes to the agenda.

Mr. Yeates deemed the agenda approved as posted.

III. APPROVAL OF MINUTES

Ms. Aldean moved approval of the July 29, 2021 minutes as presented.
Motion carried.

IV. Discussion and possible direction to staff for Briefing on Chapter 65 of the Code of Ordinances for the Mobility Mitigation Fee Update

Ms. Sloan provided the presentation.

Ms. Sloan said in April 2021, the Governing Board adopted a new transportation, sustainable communities threshold standard for the region. Also, adopting the 2020 Regional Transportation Plan (RTP) and approved an updated Project Impact Assessment process to implement the new threshold standard at the project level by evaluating a developments impact of transportation using vehicle miles traveled. All of that work leads to today. What remains is the need to update the Mobility Mitigation Fee Program. The Mobility Mitigation, the program is the replacement for the air quality mitigation.

First, the Air Quality Mitigation Fee was based on trips. They are looking at the impact using vehicle miles traveled, so updating the fee program, will align it with the updated project impact assessment process, and use the vehicle miles traveled. That 2020 Regional Transportation Plan that was adopted by the board in April, has a new project list, and the fee should align with and reference that constrained project list.

That Project Impact Assessment process update was to support attainment of this new threshold standard by implementing it at the project level and the mobility mitigation to update will further that. Lastly, the air quality mitigation fee had not been updated for inflation since 2006, so there's lost purchasing power to be regained through updating the Mobility Mitigation Fee.

To understand and get to a final recommended fee, they have to start by identifying the VMT mitigating project costs from the 2020 Regional Transportation Plan. Some of the steps applied to that project list from the RTP. First, they looked only at a constrained project list from the RTP. The RTP includes quite a lot of projects including some on unconstrained list such as the waterborne ferry. To ensure that they're looking at foreseeably implementable VMT mitigating projects, the focus was on those within the constrained project list. They only looked at projects that reduced vehicle miles traveled because the RTP has quite a lot of important projects for example, Round Hill Pines Resort intersection improvements which is a much needed project for vehicular safety

improvements at the entrance to the resort on US Highway 50. But it doesn't reduce vehicle miles traveled so that and projects like it or not included in the VMT reducing project costs. Projects that reduce VMT may have non VMT reducing elements for example, the Apache Avenue project in El Dorado County. This project provides safe routes to school, bike and pedestrian improvements, but it's also doing important stormwater improvements. When they support all of those looking at VMT reducing project costs they took out any of those non VMT cost elements like the stormwater in this case.

Lastly, if a project had any funding applied towards it, they took the net project cost to make sure they're not double counting. For example the Kahle complete street project has had quite a bit of planning and some design and funding applied to the project and took the net costs in this type of situation.

As a result, the VMT reducing project cost is estimated at $550 million. The mobility mitigation fee reflects the cost of mitigating increased VMT from added development. It was a three step process to calculate the fee rate starting with the $550 million of VMT reducing projects. Then calculating added developments share of VMT mitigating project costs which is about 6.8 percent and multiplied the that to identify new developments share of project costs at $37 million. The $37 million was divided by the proportion of the VMT to 2045 from added development, then some refinements to make sure the recommended fee integrates the updated project impact assessment process. For example, recognizing location of development on VMT calculation and the use of full occupancy VMT rates for projects like residential and tourist accommodation units, that's assuming the greatest potential impact that a project would have to transportation. Also, considering and refining for the historic approach to how they've calculated fees, which a portions based on, whether the land use generates or attracts trips and associated VMT. The calculations and the refinements result in a recommended fee rate of $218 per VMT.

Mr. Yeates said on page 306, the staff report states $550 million and it’s being presented as $55 million. It was also carried over into the white paper as well.

Mr. Marshall said it should be $550 million. Because 6.8 percent of that is $37 million.

Presentation continued by Ms. Sloan.

(Slide 6) The two tables show a typical residential and a typical tourist accommodation unit and calculates fees using the recommended fee rate in various areas within Tahoe and compares that to the air quality mitigation fee. That air quality mitigation hadn’t been adjusted for inflation. Fees increase marginally for some and significantly for other project types is because of inflation those overall costs of the RTP projects referenced above as well as location. The last piece is important because the Project Impact Assessment process recognizes and encourages projects located in low VMT areas such as the town centers. It also recognizes and encourages VMT reducing strategies, such as project design, mitigation, or jurisdiction VMT credit programs. Each of those can be applied to the project to further reduce the project's VMT effect. As those VMT reductions happen, so would the reduction and they would be reflected in lower fee amounts.

An analysis of projected single family residential development by location finds an estimated one quarter would be within low VMT generating areas in the region, about one half in average VMT generating areas, and the remainder are anticipated to be in the higher VMT areas. The Project Impact Assessment process and the Mobility Mitigation fee could influence these projections by encouraging development from higher VMT areas into lower VMT areas.

Included in the recommendation are discussion of fees for affordable, moderate, and achievable, or sometimes referred to as workforce housing. This type of development is very needed in the region and there are policies and programs encouraging this type of development. They understand that the fee rate may prevent this type of development. Staff explored options to reduce or waive fees for this type of land use, but the lack of funding to backfill any reduced or waived fees kept a recommendation for going forward at this time. Instead, staff recommends deferring to the Tahoe Living Housing Initiative process. They've identified evaluating mitigation fees as an action item in the long term phase.

Staff is requesting the committee’s guidance on the process and recommendations on the proposed package to finalize the Mobility Mitigation Fee update. Staff will return to the Regional

Plan Implementation Committee and the Operations and Governance Committee in November to request recommendation to the Advisory Planning Commission and Governing Board in December.

Presentation can be found at:
Mobility Mitigation Fee.pdf

Board Comments & Questions

Ms. Gustafson said different jurisdictions around the basin have contributed over time to solutions on various issues in the basin. Certainly in transportation, bike trails, sidewalks, transit mobility hubs, and transit services. Placer County and the local special districts have been investing quite a bit for a long time. Her concern when she looks at the project list is making sure that where they've already contributed money and accomplished those goals or maybe not even going back to the past. Yesterday, they approved another $1 million for micro mass transit through the winter with continued service to Squaw and Northstar.

She wants to ensure that's credited because they are struggling and haven't seen one new project in the Tahoe Basin in the North Shore. They need to make sure they can credit what they're investing in for regional sources to the transportation problems and reduction of VMT toward these requirements on individual development.

Placer County is also looking at mitigation fees and VMT impact fees. With that, people would be paying double. Can we find a way to accept those contributions in lieu of these mitigation fees, or establish a bank as a jurisdiction to encourage those regional solutions?

Ms. Sloan said the Project Impact Assessment and the code changes associated with that to reflect recognition of the VMT credit programs that a jurisdiction like Placer County may have in place. That is something that the fee would recognize as those credits are applied to project impact and the VMT reduction work. Those would carry forward into a reduced fee rate itself. They have recognized the potential for this to happen and think it carries forward through the fee program recommendation as well.

Ms. Gustafson said she believes that transportation is more regional in nature. The solutions are going to be broader than project by project anyway, and so if they can find alternative sources versus new development fees. That's going to get them to solve the problem more quickly anyway, then waiting for new development at the pace it's going.

Mr. Yeates said the white paper compared for example, what Placer County is doing with their fees and other things to ensure TRPA fees are going to be somewhat in alignment even though it's not apples to apples. There are things that they are trying to do that the applicant, especially in Placer County where they can take advantage of what the county has done to reduce that fee. If there's a way to highlight that in the discussion that would come back to the committee that would show how that code would give staff that flexibility, so that it doesn't have to continually go back to the board.

Mr. Friedrich asked how is the VMT impact for affordable or workforce housing analyzed or calculated if it was vis-a-vis market rate units. Is that correct? It's his understanding that it's the same proposed mitigation fee for affordable or workforce versus market rate.

Ms. Sloan said they have one fee rate and it would be applied the same market rate in affordable. A clarification because the project impact assessment process recognizes that affordable, moderate, and achievable housing occupants generate less VMT than market rate units and the calculation is adjusted at the Impact Assessment phase. That means a market rate unit would for example, a ten unit market rate unit would be calculated of VMT and the affordable, moderate, or achievable ten unit equivalent would be calculated to about 10 percent less VMT. That would carry forward into the fee and that the fee would be less because it is calculated to have generated less VMT but they would use the same fee rate.

Mr. Friedrich has a concern about the fee on affordable or workforce housing, as referenced in the report. They're in such a crisis. He participated in the Tahoe Living Working Group and knows there are other items in front of this one so his concern is that there could be a lag time before this addressed. It's his sense that the working group would strongly support eliminating or reducing these fees. California, for example, has waived mitigation fees for affordable and workforce

housing with Senate Bill 743. His desire would be to look at a recommendation to waive fees for affordable and workforce housing and see what the rate impact would be on market rate units if they eliminated the fees on workforce or affordable housing to reduce that additional barrier. It's already so expensive to build these units. What would that cost shift entail for others, whether it's from increase fees on market rate or other sources of funding, etc. to fill in that gap?

Mr. Yeates shared Mr. Friedrich's concern. The lag time with the working group could be an issue. This could be an issue that they send back to staff to propose a possible code change. He assumes what Mr. Friedrich is asking is that rather than keep the fee on, the workforce and affordable housing issue, take it off and let the housing working group determine how to deal with that issue, so they would start out with a mobility fee that had no fee on affordable housing. The housing working group could decide where the balance is between market rate and housing.

Mr. Friedrich said that could be one approach or bring back a proposal in December that reallocates the forecast revenues from affordable and workforce housing to other buckets.

Ms. Aldean met with TRPA staff to review the white paper. It could be a slippery slope because workforce housing folks are probably going to be making more trips, unless there's a built-in incentive to use regional transportation. It's possible they'll make more trips than the owner of a single family home who uses it periodically for recreational purposes. While she's sympathetic with the need for workforce housing, they need to be cautious that the full burden is being shifted on to other forms of residential uses. Something she suggested was that once this is adopted, have the waiver be temporary in nature, as an incentive for affordable housing developers to move forward with their projects expeditiously. Realizing that at the end of four years, there's going to be a fee imposed upon workforce housing, and perhaps that will incentivize them to want to move forward more quickly with their development projects. Based on her conversation yesterday with the staff, they did emphasize the fact that there are other offset opportunities existing in the current code to mitigate some of the financial impact of these fees. She suggested that staff bring those forward so they have a better understanding of what the menu of options looks like.

Ms. Gustafson agreed with Mr. Friedrich in trying to create flexibility as they are all struggling with workforce housing. To Ms. Aldean's point hopefully they are offsetting employees that are now driving further to come to work and still running those trips within the basin. Hopefully, they'll see a net gain by moving housing closer to their job sites. In addition, one of the projects they worked on in the Martis Valley did secure a tax credit financing from the state to acquire and run shuttle busses into the Town of Truckee from the Truckee Airport area. She doesn't want to discourage developers for being creative and securing state resources to help solve the transportation problems by completely waiving it either. She wanted to learn more about how he secured that funding and encourage other developers to look at the mobility aspects that they can also secure from the state funding.

Ms. Aldean said there's a need to be equitable about this. The impact of some of these trail projects will have on creating new VMT, not bicycle paths in general but for example, East Shore Trail is a big attractor and people are parking in remote parking lots and using that to trail pretty heavily. Staff promised to analyze those impacts because they need to be fair. Some of these publicly funded projects are going to have an impact, perhaps a negative impact in terms of increased VMT generation and that needs to factor in the equation.

Mr. Bruce agreed with that there should be incentives to get workforce housing up and going. There haven't been many, especially in a number of areas around the lake. There should be some good incentive ideas with respect to this, but also understands the value of creating the workforce housing, because that's really going to lower VMT for purposes of trips. It's a fine line, and it's difficult, and would like to see what staff might come back with respect to some of the comments that were made today.

Mr. Yeates feels staff has a sense of the committees concerns. Maybe they don't punt everything to the working group to see if there are some items that they do at this committee to address that workforce housing issue or suggest possibilities when reviewing an affordable housing project. They need to ensure that the fees don't get in the way. He appreciated what Mr. Friedrich raised but pushing it off onto the market rate, they need housing and it may not be at the workforce level but feels it would be a shame to put that burden on others.

Mr. Friedrich said in bringing back a consideration to fee or not to fee affordable and workforce, just maybe a reference to relevant California, Nevada legislation such as California Senate Bill 743 and alignment with those efforts. Which, in that case, eliminated the VMT Impact fees to California's state level. What would be the impact of cost shifting, whether it's to trip attractors, or to market rate units, and are there other potential fill in sources of funding to make up for affordable and workforce mitigation fees that could be just added to the pot in a way that doesn't require a cost shift to those other uses.

Ms. Regan said this is exactly the conversation we were hoping to have today. Ms. Sloan has done a good job of looking at different jurisdictions and how they handled this. They didn't get into a lot of detail in the presentation around that but did look at places like El Dorado County, Santa Monica, and other jurisdictions that have wrestled with this topic of how to handle affordable housing fees in terms of the VMT impact. Staff will bring back some options. They'll be looking at this every cycle of the Regional Transportation Plan every two to four years. This is a new fee and will need time to evaluate all of the numbers as they come in. They might want to allow some flexibility in the final analysis of where they subsidize or not. As a policy directive, they to support workforce and affordable housing in the community.

Public Comments & Questions

Lew Feldman said this is a complicated issue. He's pleased to hear everyone express the important message that affordable housing should not be further burdened with the Mobility Mitigation Fee. The interim guidance didn't impose it and these projects are struggling for life. Anything they can do to facilitate it, is critical. There are businesses that can't staff because they don't have workers in the basin and is a ripple effect. Thank you for that direction and supports it 100 percent.

Development is always the object of affection from regulators in terms of fees and shifting additional cost onto the development community, which is basically a redevelopment community, which is enhancing environmental redevelopment in his view is a disincentive to improve the built environment and piling on is not productive. It also resonated with him is that the elephant in the room, in terms of impacts are the day trippers and recreational users. They've all observed tremendous increases, taxing the recreational facilities without any contribution from those folks for the impacts they create.

So much of the solution is providing better alternatives, like increased transportation alternatives, such as microtransit. It's heartening to hear that Placer has just committed $1 million to facilitate that kind of improvement. He hopes it inspires other local jurisdictions to step up because that's what has to happen if they're going to move the needle.

Gavin Feiger, League to Save Lake Tahoe said they generally support the proposal presented today. The key aspects they identified through the VMT threshold update are the annual increases type inflation, which will be automatic, the location based sliding rate, based on VMT intensity. Those are two key pieces that need to remain. They appreciated the thorough analysis done by staff to back up this proposed fee. Going forward, the technical advisory body established with the VMT threshold, hopefully will be able to include some kind of assessment of how effective the fee is, especially in relation to high VMT versus low VMT areas and potentially some of these affordable housing considerations that they're talking about today. Also, considering that there's no project prioritization as part of this fee update. That same technical advisory body will be able to recommend projects from the RTP with the highest potential to reduce VMT. Making sure that this fee goes to the projects that reduce the most VMT.

Lastly, the discussion around treating regions or projects differently. As long as they're raising that $550 million identified and the incentive for developing and low VMT areas remain, they're fairly impartial on how this committee and the board allocates the fee. Although, supporting affordable housing is important.

Chase Janvrin, Tahoe Prosperity Center and member Living Communities Housing work group. He thanked everyone for staying focused on how to incorporate and address the housing crisis when they're looking at any type of fee. He understands while updating this ordinance hasn't been done in a long time and may be overdue, they must have a carve out for workforce housing. They have to acknowledge the desperate need for affordable housing given the current crisis in our community.

He encouraged everyone to think as creatively as possible to find a way to match California Senate Bill 743 that exempts affordable housing from VMT impacts.

It's clear that there is a workforce housing crisis in Tahoe. One major contributing factor to the lack of workforce housing is it's so much easier, cheaper, and profitable to build large single family homes instead of multi-family, especially multi-family dedicated to affordable deed restricted housing. In order to combat this, they collectively as a region need to find ways to prioritize affordable housing over large, new, single family housing that may only be used part-time. Every development fee that exists should be on a sliding scale at minimum, ideally provide full exceptions for fully deed restricted units. Plus of all the members of the community, it's those that will live in affordable housing that are the most likely to take transit, which is what they're trying to get people to do. There has to be a way to achieve this. If they don't find ways to prioritize workforce housing, it's not going to get built.

As one of the regional conveners on housing in Lake Tahoe, the Tahoe Prosperity Center strongly supports the fee exemption for deed restricted affordable units.

Steve Teshara on behalf of a number of clients of Sustainable Community Advocates he appreciated the comments and concerns expressed by the committee and what's evolving as the direction to staff. They agreed with Supervisor Gustafson about the concern of double imposing fees based on what a local jurisdiction may do. Also, the comments by Council member Friedrich about the fees on affordable housing and the comments of Ms. Aldean relative to the development community. He echoed the comments made by Mr. Feldman and Mr. Janvrin. This issue is clearly tied to the work on the sustainable regional transportation revenue issue and remains concerned that the work, seems to be bogged down. Transportation is all about funding and it can't just come from new development or redevelopment. They need the engagement of the Bi-State Transportation Consultation Group. They need to understand that the development community does have concerns about this and that the development community includes those who are in the business of developing affordable housing. He supported the committee's comments and direction to staff.

Committee Comments & Questions

Mr. Yeates said the committee has relayed their concerns about affordable housing. Ms. Gustafson raised the issue of making sure they don't double up when then Placer County is doing good things and we acknowledge the fact that it would be taken into consideration in applying a fee in Placer County for a project that's consistent in carrying out some of the things that Placer has done.

He appreciated all the work that Ms. Sloan did to meet with all the stakeholders. There are some further issues that need to be brought to the committee. Any heads up to the committee on what staff is considering would be appreciated since there's a short turnaround to the November meeting.

V. COMMITTEE MEMBER REPORTS

Ms. Gustafson mentioned that wintertime micro mass transit was approved. It might be interesting to the committee to get a full report at some point on the results of that micro mass transit. Thirty four percent of those who took micro mass transit had never taken the TART regional system previously. This is important, as they talk about these transportation solutions. The other factor is that the cost per ride is higher than traditional transit because of the specialty service and door to door service, and not having as large of vehicles. Their results are better than many areas of the country that are doing micro mass transit. The Incline Village service area was much more cost effective because it's a more compact area. The West Shore was the most expensive but it's long and linear so there's a lot more travel time on that.

Mr. Yeates said that may be a good presentation for the Environmental Improvement, Transportation, and Public Outreach Committee.

VI. PUBLIC INTEREST COMMENTS

None.

VII. ADJOURNMENT

Ms. Aldean made a motion to adjourn.

Chair Mr. Yeates adjourned the meeting at 2:35 p.m.

Respectfully Submitted,

Marja Ambler

Marja Ambler
Clerk to the Board