

Attachment A.1

Initial Environmental Checklist

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## ***INITIAL DETERMINATION OF ENVIRONMENTAL IMPACT CHECKLIST***

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**Project Name:** Development Rights Strategic Initiative (DRSI)

**Project Description:**

The Tahoe Regional Planning Agency's (TRPA) Development Rights Strategic Initiative (DRSI) considers changes to the development rights system in order to accelerate the Lake Tahoe Regional Plan Goals and Policies, support environmentally beneficial and economically feasible redevelopment, improve the effectiveness and predictability of the development rights system, and continue to manage growth in the region. The development rights system is a central part of the Regional Plan's growth management system and an important strategy used to attain multiple environmental thresholds. The DRSI proposes five changes to the system:

- (1) allow conversions between different types of development rights – commercial floor area (CFA), tourist accommodation units (TAU), and residential units of use (RUU) – using environmentally neutral exchange rates;
- (2) expand the eligibility of the residential bonus unit incentive program;
- (3) enhance the development right banking system through partnerships with the local land banks;
- (4) eliminate overlapping, multi-jurisdictional approvals of development rights transfers; and
- (5) eliminate the requirement to have an approved project on a receiving site prior to a transfer of development rights.

Implementation of these recommendations would require amending the Regional Plan Goals and Policies LU-2.1 and DP-3.7 and TRPA Code of Ordinances Chapters 1, 3, 6, 11, 21, 31, 39, 50, 51, 52, and 90. The DRSI also includes adopting a revised Memorandum of Understanding (MOU) with the California Tahoe Conservancy (CTC) and a resolution to reaffirm their land bank authority.

This Initial Environmental Checklist (IEC) is a plan-level environmental document. No specific development projects are proposed at this time or analyzed herein. All future projects will be subject to project-level environmental review and permitting by TRPA and/or a local jurisdiction pursuant to an adopted MOU, with the permitting agency determined based on the scope and location of the project. Project-level environmental analysis would require identification of, and mitigation for, any site-specific potentially significant environmental impacts.

The purpose of this document is to disclose to the public and decision makers the environmental consequences of implementing the proposed policy and code amendments. **Based on findings discussed within this IEC, it is anticipated that TRPA will be able to make the findings pursuant to Section 3.3.2.A of the TRPA Code that the**

**proposal would not have a significant effect on the environment and that a finding of no significant effect (FONSE) will be prepared in accordance with Section 6.6 of the TRPA's Rules of Procedure.**

**Background:**

The development rights system is a central part of the Lake Tahoe Regional Plan and maintaining environmental thresholds within the basin. This system is designed to manage growth by limiting the total amount of development potential, encouraging environmentally beneficial redevelopment, incentivizing sensitive land restoration, and concentrating a mix of land uses within town centers.

Development rights (also referred to as commodities) were initially integrated into TRPA's land use and growth management policies as part of the 1987 Regional Plan. This plan focused on managing growth by allocating a limited supply of commercial, tourist, and residential development rights required for new development in the Lake Tahoe Region. Individual Plan Area Statements, Community Plans, and Area Plans establish localized zoning, density, and development standards to guide the location of development and establish other planning standards.

TRPA designed the development rights system and permitting processes for growth management needs of the 1960s, 70s, and 80s. While the Regional Plan maintains the overall development caps, the amendments made in 2012 acknowledge a key mechanism to realize environmental improvements on the ground and accelerate threshold attainment is through voluntary and incentive-based redevelopment, movement of development, and infill development.

The amendments to the Lake Tahoe Regional Plan in 2012 included significant policy changes designed to alter the land development "footprint" in the Lake Tahoe Region. These amendments were intended to accelerate redevelopment of town centers by incentivizing the transfer of development from sensitive lands and remote areas into town centers. Transferring development from sensitive lands would reduce damage caused by increased impervious surface and stormwater runoff, intrusion into sensitive vegetation and wildlife habitats, and scenic degradation. Removal of remote development and development rights was intended to reduce vehicle miles travelled per capita in the Region, along with the resulting emissions and air pollution. The incentives took the form of increased bonus units available with the transfers and were intended to encourage private investment in environmentally beneficial redevelopment.<sup>1</sup>

The impetus behind the Development Rights Strategic Initiative stems from an adaptive management approach – to evaluate plan effectiveness of the development rights system and consider changes where appropriate to accelerate the Regional Plan Goals and Policies. In 2014 and 2015, two assessment reports found that elements of the existing system were inhibiting the environmentally beneficial redevelopment called for in the Regional Plan and contributing to the lack of attainable and diverse housing needed for full-time residents and the workforce.<sup>2</sup>

Additionally, TRPA also began seeing the positive implications and environmental benefits that could be accrued by allowing a flexible development rights system, but still maintaining the overall development caps for the Lake

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<sup>1</sup> Tahoe Regional Planning Agency, *Lake Tahoe Sustainable Communities Program Documents Series #7: Development Commodities Transfer Policies Analysis*, Dec. 2013.

<sup>2</sup> BAE Urban Economics, *Tahoe Regional Housing Needs Program Report: Needs Assessment Background Report and Priority Policy and Program Evaluation*, May 28, 2014.

Tahoe Regional Planning Agency & Advisory Planning Commission, *Commodities Strategic Initiative and Permitting Assistance Initiative: Stakeholder Assessment Results*, April 2016.

Tahoe Region. Adopted by the Governing Board in 2012 and 2016, two pilot programs allowed for the conversion of Tourist Accommodation Units (TAUs), Residential Units of Use (RUUs), and Commercial Floor Area (CFA), but were limited in application such as requiring a transfer from sensitive lands, removal of a non-conforming use, construction of affordable housing, or other provisions allowed by TRPA Code Sections 50.10.2 and 50.10.8.

Since 2012, there have been four projects permitted under the pilot programs: Peak 10, Woodvista, Tahoe Cedars, and the Tahoe City Lodge. These projects, while relatively small in number compared to the total number of projects during that time period, demonstrate how development rights conversion projects help to accelerate environmental thresholds attainment and align with the Regional Plan Goals and Policies. All four projects included the redevelopment of legacy motels and commercial buildings in Placer County that had seen little to no improvements since the 1950s to 1970s. These projects, which included conversions of development rights, met all current development code requirements and environmental standards.

These requirements and the resulting development are more environmentally beneficial (or less harmful) than older projects built under previous, less restrictive environmental requirements. Environmental improvements that will be fully realized when the pilot projects are completed include reductions in land coverage and daily vehicle trips; installation of stormwater systems; streetscape, scenic, and transportation improvements; and installation of energy efficient building systems. For a complete report of the pilot program projects, see attachment B. Following the assessment reports and pilot programs mentioned above, the TRPA Governing Board launched the multi-year Development Rights Strategic Initiative in 2015. The DRSI used a stakeholder and working group process to establish the mission, goals, and criteria for the initiative; clarify issues; guide best practices; formulate strategic approaches; and develop recommendations that align with the Lake Tahoe Regional Plan. The mission of the initiative was three-fold:

- Identify barriers to environmentally beneficial redevelopment;
- Consider changes to the existing development rights system to better manage growth, implement the Regional Plan, support environmentally beneficial and economically feasible redevelopment, and accelerate sensitive land restoration; and
- Improve the effectiveness and predictability of the existing development rights system.

During this process, the Development Rights Working Group (or “Working Group”) identified and analyzed 24 potential options for alignment with the established goals and criteria as well as potential economic, legal, and planning impacts to the system.<sup>3</sup> The Working Group and TRPA staff provided opportunities for public participation and comment through the 2015 stakeholder assessment (as mentioned above), a meeting with a development customers user group, eight public meetings with the Working Group, five community outreach presentations, and five public hearings.

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<sup>3</sup> TRPA, *Factsheet#8: Goals and Criteria for Evaluating Alternatives*, Nov. 2016. [http://www.trpa.org/wp-content/uploads/Factsheet-8-GoalsCriteriaforAlternativeEvaluation\\_11.9.16.pdf](http://www.trpa.org/wp-content/uploads/Factsheet-8-GoalsCriteriaforAlternativeEvaluation_11.9.16.pdf)

**Recommendation:**

Based on the process discussed within the “Background” section above, the Working Group proposed the following five changes to the system:

- (1) allow conversions between different types of development rights – commercial floor area (CFA), tourist accommodation units (TAU), and residential units of use (RUU) – using environmentally neutral exchange rates;
- (2) expand the eligibility of the residential bonus unit incentive program;
- (3) enhance the development right banking system through partnerships with the local land banks;
- (4) eliminate overlapping, multi-jurisdictional approvals of development rights transfers; and
- (5) eliminate the requirement to have an approved project on a receiving site prior to a transfer of development rights.

The subsections below provide criteria and intent, or rationale, for each of the five recommendations above. This section also summarizes the monitoring and tracking proposed as part of DRSI. The next section, “Review”, will present an analysis of the development and application of the recommendations.

**1. Conversion Exchange Rates**

Conversion exchange rates would allow a project proponent to convert one land use type, or development right, to another through a TRPA application process. Such conversions would be applicable to commercial floor area (CFA), tourist accommodation units (TAUs), and residential units of use (RUUs). The Working Group recommended the following conversion exchanges rates:

**Table 1: Recommended Conversion Exchange Rates**

Existing Development Right	Equivalent Development Rights			
	CFA	TAU	SF	MF
300 sq. ft. Commercial Floor Area (CFA)	300 sq. ft.	1	1	1.5
1 Tourist Accommodation Unit (TAU)	300 sq. ft.	1	1	1.5
1 Single Family Detached Dwelling Unit (SF)	300 sq. ft.	1	1	1.5
1 Multi-Family Attached Dwelling Unit (MF)	200 sq. ft.	0.75	0.75	1

Allowing the conversion, or exchanging, of one type of development to another is intended to provide greater flexibility, significantly simplify the system, and expand the available supply for needed development rights while still maintaining the overall development cap set forth in the Lake Tahoe Regional Plan. As mentioned within the “Project Description” and “Background” sections above, the development rights system is a central part of the Regional Plan’s growth management system and an important strategy used to attain multiple environmental thresholds. Therefore, the key objective in establishing conversion exchange rates above was to determine a valid, common exchange ratio between land use types that could be consistently implemented across the region and that is environmentally neutral. (e.g., Using the table above, 300 square feet of CFA would have the same environmental impact as 1 TAU, 1 single-family residence, or 1.5 multi-family residences.)

In addition to the exchange rates above, this change includes the following criteria and eligibility requirements to convert development rights:

- Existing development rights verified as legally existing and development rights held in allocation pools would be eligible for conversion.
- Bonus units awarded to a project are eligible for conversion provided all requirements for awarding of the bonus unit (i.e. retirement of sending site development rights, use within a town center, or affordable housing criteria) have been and continue to be met.
- Conversions will be limited to existing development located on high capability lands unless the associated project includes the following environmental benefit: reduction in land coverage and no increase in vehicle trips, parking, cubic volume of structures, or adverse impacts as part of the project.
- All conversions will be reviewed and approved by TRPA, unless otherwise authorized by delegation to the local government through a Memorandum of Understanding.
- All development right conversion transactions and activities will be monitored in accordance to the TRPA Code of Ordinance Chapter 6: *Tracking, Accounting, and Banking*.

**2. Residential Bonus Unit Incentive Program**

The Working Group recommended expanding the existing residential bonus unit incentive program for housing targeted for local residents in the Lake Tahoe Basin consistent with the Regional Plan Goals and Policies. The TRPA Code of Ordinances currently allows bonus units to be awarded for affordable and moderate-income housing. The Code defines affordable housing as accommodating households earning below 80 percent of the respective county’s area median income (AMI), and moderate-income as accommodating households earning between 80% and 120% of AMI.

**Table 2. Existing Bonus Unit Incentives for Affordable and Moderate-Income Housing Developments**

Residential Bonus Unit + Allocation = Residential Unit of Use		
	Affordable < 80% AMI	Moderate-Income 80% - 120% AMI
Bonus Unit Development Right	●	●
Allocations	<i>Exempt</i>	

● = Awarded at the time of project

Similar to market-rate housing, affordable and moderate-income units are required to obtain the necessary development rights (e.g., a new residential unit of use consisting of a unit and an allocation) prior to construction, however there are currently incentives in place to encourage these types of housing developments. TRPA Code section 52.3.1 designates up to 1,400 residential bonus units that may be awarded to affordable or moderate-income multi-family residential projects. (As of July 2018, there were 1,124 remaining residential bonus units available within the TRPA pool.) Bonus units are awarded at no cost to the applicant and replace otherwise required development rights either wholly or in part, as seen in Table 2 below. In order to receive a residential bonus unit,

the property owner or tenant is required to earn at or below the specified AMI for the appropriate category. To further incentivize affordable housing (below 80% AMI), TRPA does not require residential allocations for these types of housing developments.

The Working Group recommended the following amendments to the existing residential bonus unit incentive program:

- Adopt the term “achievable” to refer to those earning more than 120% of the area median income yet too little to afford a median home price, also referred to as the “missing middle”.
- Expand eligibility of the residential bonus unit program to include three income tiers for both single and multi-family housing: affordable (up to 80% AMI), moderate (80-120% AMI), and achievable (120-435% depending on the type of residential unit, single family or multi-family, and jurisdiction of the housing development).<sup>4</sup>
- Half of the remaining TRPA bonus unit pool be reserved for affordable. The other half be reserved for moderate and achievable residential development.
- All residential units awarded a residential bonus unit (affordable, moderate, or local achievable) are exempt from having to obtain a residential allocation. (See Table 2 below.)
- Residential development awarded a bonus unit must be located within ½ mile of a transit stop.
- Residential development awarded a bonus unit cannot be used as a vacation rental as defined by the TRPA Code of Ordinances.
- Multi-family and single-family residential development are eligible for residential bonus units.
- Every two years, TRPA will prepare a report on bonus units allocated and update the eligibility criteria (i.e. AMI and median home price) as needed.

**Table 3. Recommended Bonus Unit Incentives for Affordable, Moderate, and Achievable Housing Developments**

Residential Bonus Unit + Allocation = Residential Unit of Use			
	Affordable < 80% AMI	Moderate-Income 80% - 120% AMI	Achievable*
<b>Bonus Unit Development Right</b>	●	●	●
<b>Allocation</b>	<i>Exempt</i>	<i>Exempt</i>	<i>Exempt</i>

\* AMI eligibility criteria for achievable is determined by the type of unit (single family or multi-family), the respective county’s AMI and median home price, and the ratio between AMI and rent or home price.

● = Awarded at the time of project

The Working Group’s recommendation to expand the eligibility of the residential bonus unit incentive program also includes an enforcement strategy to ensure bonus units awarded will be used as intended and meet all criteria

<sup>4</sup> Achievable AMI percentage is specific to each county within the Tahoe Basin. This percentage is calculated using median income, median home price, and buying power (a defined multiplier for how much a household can afford) for the respective jurisdiction. For the full calculation of achievable AMI percentage by county, see the definition of achievable housing in Agenda Item VI.C, Attachment A.

listed above. This strategy includes deed restrictions, disclosure forms, guidelines and education, and annual compliance reporting.

The Working Group also recommended that TRPA staff report to the Governing Board biennially on the implementation of the residential bonus unit program for affordable, moderate, and achievable housing development. This report will include, but is not limited to, the number of housing developments and units that received and were constructed using bonus units, number of bonus units received and constructed in each income category, number of bonus units received and constructed in single and multi-family housing developments, location of housing developments, and compliance with the program.

### **3. *Development Right Banking***

Throughout the DRSI process, Working Group members and stakeholders vocalized broad-based support to reaffirm the partnership between TRPA and the local land banks in California and Nevada to facilitate land acquisition. These acquisitions help accelerate the pace of sensitive lands restoration and provide a reliable and steady inventory of development rights for project proponents. Since the adoption of 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 urbanization in the Lake Tahoe Basin. The local land banks help to accelerate threshold attainment by carrying out the following functions: (1) acquiring land and development rights from sensitive or underused properties; (2) transferring development rights to less sensitive areas; (3) creating a repository of available development rights for project proponents; (4) permanently retiring land coverage; and (5) restoring sensitive land.

As part of their Memoranda of Understanding (MOU) with TRPA, the land banks can create a revolving or cyclical banking function. Using resources made available from sources like state or federal funds the land banks acquire development rights. They can then provide the necessary rights to develop a property in return for some sort of payment from project applicants. As the payment is received, additional development rights are acquired. The newly acquired development rights are then provided in return for payment, continuing the cycle. The cycle is repeated over and over. However, unlike a for-profit bank, the development rights bank may or may not receive a full return on the rights it provides because its mission is restoration, redevelopment, provision of affordable housing, etc. The land banks have the ability to seek additional funding to augment this development rights banking role, whether to subsidize development rights for desired types of development or to provide additional development funds to support desired ends, such as workforce housing.

The Working Group recommended reaffirming these partnerships with the local land banks to further enhance the development right banking system and ensure each MOU provides the flexibility to achieve the land bank goals. This reaffirmation would include a policy resolution with the California Tahoe Conservancy (CTC) and the Nevada Division of State Lands land banks and a revised MOU with CTC. The resolution would provide support for CTC to pursue legislative flexibility for disbursing acquired development rights and subsidizing development rights (i.e. donations, selling below fair market value, trade, etc.) for desired projects such as town center redevelopment and affordable housing. The revised MOU serves to better align CTC's local land bank role with the authority granted to the agency by the State of California. TRPA will still have the responsibility to track and monitor transactions and ensure that the development rights system continues to support the Lake Tahoe Regional Plan Goals and Policies.

Additionally, the Working Group recommended allowing other entities, specifically local governments and philanthropic non-profit organizations, to form land banks under an MOU with TRPA in order to acquire, disburse, and transfer all development rights (CFA, TAUs, and RUUs) and land coverage. At this time, the only active land



banks within the region are CTC and the Nevada Division of State Lands; however, the recommendation allows other entities to come forward at a later time.

#### **4. *Transfer Requirements***

The Working group recommended the following process improvements to the existing Transfer of Development Rights (TDR) program:

- Remove the requirement to have an approved project prior to the transfer of development rights.
- Maintain that a developer and/or property owner does not have to acquire development rights until the final permit stage (or acknowledgement).
- Allow public development right banks to sever development rights from properties and hold or sell those rights.

The emphasis behind the TDR program is to accelerate environmental threshold attainment by redirecting (or transferring) development from sensitive lands to walkable, bikeable, and transit-oriented town centers. While the overall outcomes of the TDR program have been positive and are effective in meeting Regional Plan goals, the *pace* has not been what is desired. The improvements recommended by the Working Group are intended to increase the effectiveness of the TDR program, simplify the development rights system, and remove excessive requirements to encourage environmentally beneficial redevelopment called for in the Regional Plan.

The first and second process improvements, removing the project requirement and allowing flexibility as to when the development rights need to be obtained, would apply only to the transfer of commercial floor area (CFA), tourist accommodation units (TAUs), and residential units of use (RUUs). (This provision would not apply to land coverage or other land use units.) These improvements would allow individuals to sever development rights from a sending site and transfer those to a receiving site at any time during the development planning phase, before or after a project is approved. Project proponents would still be required to obtain the necessary development rights prior to the final permit stage (or “acknowledgement”). If a project proponent decided to wait to transfer development rights until the project is approved, he or she would have three years to acquire the necessary rights and break ground on development.

The third process improvement, allowing public land banks to sever development rights from properties to hold and sell those rights, is intended to support land banks and increase their efficiency in meeting the functions discussed in the subsection “Development Right Banking.” Public entities allowed to sever development rights from a property would be limited to land banks, local governments, and philanthropic non-profits.

#### **5. *Transfer Approvals***

The Working Group recommended eliminating overlapping multi-jurisdictional approval processes for the transfer of development rights between jurisdictions. As mentioned in the “Background” section above, development rights were initially integrated into TRPA’s land use and growth management policies as part of the Regional Plan in 1987. Under the existing TRPA Code of Ordinances, interjurisdictional transfers of development rights require approval from both TRPA and the local jurisdictions.

Eliminating the local approval alleviates constraints and complexity of the development rights system and allows the system to better respond to market demands and community needs. As part of the Working Group’s

recommendation, local jurisdictions will have the option to come before the TRPA Governing Board to request the establishment of a local approval process if there is a net loss of 5% in the existing development rights over a two-year period in that jurisdiction (See the “Monitoring and Tracking” section below for the calculation of net loss). Additionally, TRPA will track development right transfer transactions in accordance with TRPA Code Chapter 6: *Tracking, Accounting, and Banking* and prepare an annual report. This report will include the total net changes in development rights for each jurisdiction over the previous two years and be presented to the Governing Board starting two years after the effective date of the adoption of the recommendation.

### ***Monitoring and Tracking***

In addition to the five recommendations discussed above, the DRSI also includes monitoring and tracking standards for the development rights system to assess system effectiveness in implementing the Regional Plan and environmental threshold attainment, and to allow for continued adaptive management of the development rights system. The key measurement areas are as follows:

- Track available banked development rights and environmental improvements that resulted from the removal of development.
- Track conversion and transfer transactions.
- Track net transfers of development rights in each jurisdiction. The net change shall be calculated for each jurisdiction as follows: (TRPA shall maintain an inventory of existing development rights per jurisdiction.)
  1. Calculate the percent net change of CFA as  $(\text{CFA transferred into the jurisdiction} - \text{CFA transferred out of jurisdiction}) / \text{CFA from the TRPA inventory} \times 100$
  2. Calculate the percent net change of TAUs as  $(\text{TAUs transferred into jurisdiction} - \text{TAUs transferred out of jurisdiction}) / \text{TAU from the TRPA inventory} \times 100$
  3. Calculate percent net change of Single Family RUUs as  $(\text{Single Family RUUs transferred into jurisdiction} - \text{Single Family RUUs transferred out of jurisdiction}) / \text{Single Family RUU from the TRPA inventory} \times 100$
  4. Calculate percent net change of Multi-Family RUUs as  $(\text{Multi-Family RUUs transferred into jurisdiction} - \text{Multi-Family RUUs transferred out of jurisdiction}) / \text{Multi-Family RUU from the TRPA inventory} \times 100$
  5. (Average of the percentages from 1 - 4, above)
- Report biennially on the total net change in development rights for each jurisdiction over the previous two-year period. This report shall be presented to the TRPA Governing Board starting two years after the effective date of the DRSI recommendations adoption. The total net change detailed in the report will be measured by an average net change of each type of development right shown in the calculation above. The existing development rights total amount to be used in the net change calculations will include the amount of existing development rights on the date the recommendations are adopted by the TRPA Governing Board.
- Track and report transactions completed by land banks under Memorandums of Understanding (MOUs), including transfers, conversions, and development rights severed from a parcel and held with the land bank(s).

- Report on the implementation of the residential bonus unit program every two years. Specifically, the reporting shall include tracking and cataloging of permitted residential developments that were awarded residential bonus units and compliance with the program. Eligibility criteria for single family housing developments, proximity to transit and town centers, and household size may be reevaluated by TRPA staff and Governing Board.
- Adopt an enforcement strategy to ensure compliance with the residential bonus unit program. This strategy shall include: deed restrictions, real estate disclosure forms, improved tracking and monitoring of deed restricted properties, compliance reporting, and online educational and guidance tools.

**Review:**

This section includes an analysis of the development and application of the DRSI recommendations. It is organized into three main subsections: (1) an overview of the analysis approach, or framework; (2) the environmental analysis and findings; and (3) the determination.

**1. Environmental Analysis Approach & Framework**

**The Development Rights Strategic Initiative’s Initial Environmental Checklist (IEC) is a plan-level environmental document to analyze the potential environmental effect of the proposed recommendations.** This IEC is tiered from the TRPA 2012 *Regional Plan Update (RPU)* Environmental Impact Statement (EIS) and the TRPA *Mobility 2035: Regional Transportation Plan/Sustainable Communities Strategy (RTP)* EIS/Environmental Impact Report (EIR) in accordance with Sections 6.12j of the TRPA Rules of Procedure.<sup>5</sup> The RPU and RTP EISs are program EISs that were prepared pursuant to Article VI of TRPA Rules of Procedure and Chapter 3: *Environmental Documentation* of the TRPA Code of Ordinances.

The RPU and RTP are comprehensive land use and transportation plans that guide physical development within the Lake Tahoe Region through 2035. The RPU EIS and RTP EIR/EIS are program-level environmental documents that include a regional scale analysis and a framework of mitigation measures and provide a foundation for subsequent environmental review. These documents serve as first-tier documents for the TRPA review of the proposed recommendations. Meaning, the RPU EIS and RTP EIR/EIS analyzed total development potential of the two plans; the DRSI recommendations operate within that potential but allow for greater flexibility (e.g. conversion of types of development) while maintaining the overall constraints and caps as called for in the RPU and RTP.

To the extent that the Working Group’s recommendations are consistent with the RPU and the RTP, for which the program EISs were prepared, the recommendations were found to be within the scope of the program EISs, or in the context of tiering. By tiering from the RPU EIS and RTP EIR/EIS, this Initial Environmental Checklist relies on those analyses for the following:

- a discussion of general background and setting information for environmental topic areas;
- overall growth-related issues;
- assessment of the development rights system; and

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<sup>5</sup> The TRPA Governing Board certified the RPU EIS and RTP EIR/EIS on December 12, 2012.

- assessment of cumulative impacts of allowed growth.

Under the proposed recommendations, the background, overall development caps, and growth control programs as analyzed in the RPU and RTP remain in place with no changes. The DRSI and resulting recommendations are intended to better implement the programs within the RPU. In this IEC, TRPA examines the unanalyzed impacts that could arise from the movement, conversion, and flexibility of transfer of development rights within the previously assessed development rights system, if any.

## 2. Environmental Analysis & Findings

This section presents a high-level analysis of the DRSI recommendations as a plan and then provides a more in-depth analysis for the following components of the recommendations: conversions, transfers, and the residential bonus unit program.

The DRSI recommendations include changes to the existing development rights system that *allow greater flexibility for the movement of development rights* from one location to another and *remove procedural barriers that could hinder or impede environmentally beneficial redevelopment*. **The proposed recommendations and code amendments will not change the total full build out potential nor will these change the criteria necessary to earn bonus units under the existing Transfer of Development Rights (TDR) program.** Table 4 presents the total development build out by development type within the Lake Tahoe Region. Existing development (i.e. development previously constructed on the ground) accounts for approximately 90% of the overall total potential build out. The RPU EIS analyzed full build out of all available (i.e. existing and banked) and potential (i.e. allocations and bonus units) development rights and, therefore, full build-out is not re-analyzed as part of this review.

**Table 4: Total Development Build-out within the Lake Tahoe Basin**

Type of Development Right	Existing	Banked	Allocations (held by local jurisdictions)	Allocations/Bonus Units (held by TRPA)	Total Development Build-out
Commercial (sq.ft.)	6,428,364	164,759	173,142	383,654	7,149,919
Tourist (units)	10,689	969	130	212	12,000
Residential (units) <sup>1</sup>	47,043	211	2,234	1,609	51,097
Single Family	37,634	169	1,787	1,287	40,878
Multi-family	9,409	42	447	322	10,219

<sup>1</sup> Single-family and multi-family residential units inventories assume 80% of residential units are single-family and 20% are multi-family.

In the 2000s, TRPA and local partners recognized “legacy development” constructed prior to 1987 was adversely impacting the Region, both in terms of economic redevelopment and environmental protection. Pollutant source analysis conducted by the California State Water Resources Control Board (Lahontan) and Nevada Division of Environmental Protection on the Lake Tahoe Total Maximum Daily Load (TMDL) showed that 72% of fine sediment particles were from urban stormwater runoff.

To better address water quality issues, one of the primary goals of the 2012 Regional Plan Update (RPU) was to accelerate private investment in redevelopment projects that include environmental improvements in compliance with current standards and moves development from sensitive areas into more desirable, higher density, mixed-use, and walkable areas. Primarily, the implementation strategies of the Regional Plan focus on development incentives for town centers (such as increased coverage and density allowances) and transfer incentives (in the

form of bonus units) when development is moved from sensitive areas (a.k.a., Transfer of Development Rights or TDR program).

The DRSI recommendations are intended to increase the efficiency and effectiveness of the TDR program by providing greater flexibility and simplifying the system. No longer would the system have rigid “silos” of development types (i.e. commercial, tourist, and residential). A project proponent could acquire commercial, tourist, or residential development rights and convert those to the development type needed for a project. Additionally, the recommendations allow a project proponent to acquire development rights from any location within the Lake Tahoe Basin and at any time in the planning process and transfer those to the project site without overlapping or complex application processes. Paired with the existing incentives, these recommendations will encourage the acceleration of sensitive land restoration and the movement of development into town centers in keeping with the Regional Plan.

### Development Rights Conversion

The first component of the recommendation this review provides more in-depth analysis on is conversions. The DRSI recommends allowing the conversion of different types of existing development rights – commercial floor area (CFA), tourist accommodation units (TAU), and residential units of use (RUU) – using an environmentally neutral exchange rate.

As discussed within the “Background” section above, TRPA began seeing the positive implications and environmental benefits of conversions with the implementation of two pilot programs in 2012 and 2016. The pilot programs allowed for the conversion of development rights but were limited in application such as requiring a transfer from sensitive lands, removal of a non-conforming use, construction of affordable housing, or other provisions allowed by TRPA Code Sections 50.10.2 and 50.10.8. Environmental improvements that will be fully realized when the pilot projects are completed include reductions in land coverage and daily vehicle trips; installation of stormwater systems; streetscape, scenic, and transportation improvements; and installation of energy efficient building systems.

The DRSI recommendation will expand the applicability and flexibility of conversions within the existing development right system and replace these pilot programs. The recommendation retains existing environmental protections by only permitting conversions on high capability land unless the associated project includes the following environmental benefits: reduction in land coverage and no increase to vehicle trips, parking, cubic volume or structures, or other adverse impacts the environmental thresholds as part of the project.

Under the recommendation to allow conversions between uses (i.e., CFA to TAU and vice versa, CFA to RUU and vice versa, and TAU to RUU and vice versa) the *environmental benefit* will accrue from a new development project that meets newer code requirements, as seen in the implementation of the conversion pilot programs. In addition, if more rights are obtained for denser development (i.e., a larger project), those rights will need to come from another development site where restoration has or will be required before those rights can be transferred. It is likely that the Basin will continue to see the use of development rights from both the allocation pools and existing “on the ground” development. The only difference is that there will be more sites available due to the allowance for conversions between more uses. If more redevelopment occurs, then more restoration or environmental improvements will occur. With additional options, the pace and amount of redevelopment may increase as will the pace of site restoration (i.e., there may be greater environmental benefit).

The DRSI recommended conversion exchange rates (shown in Table 1) were largely developed using a methodology (i.e. localized trip generation) similar to that used to develop the existing pilot programs for the conversion of development rights. The Working Group first considered average daily trips (ADT), vehicle miles traveled (VMT), and localized trip generation as potential bases for the conversion system. The Working Group found the most accurate metric to measure any potential impact from conversions was localized trip generation. Additionally, this metric reflects other impacts related to the intensity of different land uses (i.e. a use that has a greater number of trips and therefore automobiles can be expected to have a need for more parking, impervious surface, and more stormwater runoff.)

Estimated trip generation figures, as shown in Table 5, used Average Daily Trip Generation Rates published by the Institute of Transportation Engineers (ITE) for each type of development – commercial, tourist, and residential. These standards are nationally and professionally-recognized rates that are compiled from data sources around the country and used for a variety of planning and engineering purposes such as land use planning and zoning applications, site impact analysis, sizing transportation systems, impact fee determination, and environmental assessment. The rates estimate *peak* hour and *daily* site traffic volumes for each land use. Each trip consists of a single or one-directional vehicle movement to or from a site.

**Table 5: Estimated Trip Generation by Land Use Type**

Land Use	ITE Est. Trip Generation	Unit of Measure
Single-Family Housing	9.52	per unit
Multi-Family Housing	6.65	per unit
Commercial Floor Area	31.68	per 1,000 sq.ft.
Tourist Accommodation Unit	9.67	per room/unit

Using these trip generation rates, TAUs generate effectively the same number of trips as single-family dwellings, but more than multi-family dwellings. That is the basis for distinguishing between single and multi-family residential units within the conversion exchange rates. These data were then weighted, or adjusted, to reflect the unique mix of commercial and tourist establishments and land uses existing in the Lake Tahoe Region. (i.e. eliminating “intermodal truck terminal”, “automobile racetrack”, etc.)

For tourist accommodation units, the Working Group evaluated trip generation data in three different ways to develop a conservative, regional scale estimate for trip generation from tourist lodging. The estimate takes into account the various types and unit sizes in the Lake Tahoe Region. First, the ITE trip generation rate categories were averaged to develop an overall estimate of trip generation using only the national averages from the ITE *Trip Generation Manual*. Next, the number of tourist lodging establishments in each ITE category in the Tahoe Region was used to calculate the trip generation rates weighted by the number of establishments. Finally, the actual number of tourist units in each ITE tourist lodging category was used to calculate the trip generation rates weighted by the actual units.

The calculated trip generation rates from the three different analyses described above for tourist lodging range from 9.89 to 9.44 trips per unit. The total effect of changing the trip generation rate is a difference of  $\pm 2,700$  trips overall (0.33% of all trips in the Tahoe Region) depending on the rate selected. Given the minimal impact of these changes and to be conservative, the Working Group used a trip generation rate of 9.665, or the average rate of the high and low estimates. The average rate accounts for the assumption that the mix of tourist lodging in the Tahoe Region will gradually shift more toward the national averages (represented by the ITE Manual) as redevelopment

and conversions occur and will account for higher trip generation that could result from a greater mix of resort hotel units and timeshare units.

It is important to note that not every tourist unit, house, or commercial establishment will generate exactly the number of trips indicated in the ITE Manual. The trip generation might vary according to size or other factors. However, in most instances and certainly over time, these trip numbers are very accurate and therefore, can be used justifiably as a neutral measurement. Furthermore, recent traffic analysis demonstrated that trips are likely lower for establishments in the Basin due to local occupancy rates.

It is also important to note that even with the use of the conservative regional scale estimates derived as described above, proposed projects will continue to be reviewed on an individual basis using the ITE trip generation rate that most closely aligns with the proposed use. For larger projects, an analysis of traffic impacts is required to identify the potential trip generation of the proposed project. Regardless of size, every proposed project is required to fully mitigate all additional vehicle trips.

TRPA analyzed the potential and relative impact of recommended conversion exchange rates under extreme scenarios (i.e. if all development rights were converted to a single form of development right). The analysis first calculated the existing and potential trips from existing development and total development potential as allowed under the Lake Tahoe Regional Plan, as shown in Table 6 below.

**Table 6: Total Existing and Potential Trips Per Development Type at Full Build-out**

Type of Development Right	Existing Development	Total Existing Trips	Total Development Build-out	Estimated Total Potential Trips
<b>Commercial (sq.ft.)</b>	6,428,364	203,651	7,149,919	226,509
<b>Tourist (units)</b>	10,689	102,935	12,000	115,560
<b>Residential (units)<sup>1</sup></b>	47,043	420,846	51,097	457,114
<i>Single Family</i>	37,634	358,279	40,878	389,155
<i>Multi-family</i>	9,409	62,567	10,219	67,959
<b>Total Existing Trips</b>		<b>727,432</b>	<b>Total Potential Trips</b>	<b>799,183</b>

<sup>1</sup> Single-family and multi-family residential units inventories assume 80% of residential units are single-family and 20% are multi-family.

TRPA then analyzed potential trip change if all development rights were converted to a single development type under the recommended exchange rates using the total development build-out in Table 4 and estimated total potential trips in Table 6, as shown in Table 7 below.

**Table 7: Scenario Modeling – Percentage Change in Trips**

Scenarios		Percent Change from Total Est. Trips (799,183)
Converted to all <b>CFA</b>	25,057,079	1% decrease ↓
CFA trips	793,808	
Converted to all <b>TAU</b>	83,524	< 1% increase ↑
TAU trips	804,332	
Converted to all <b>SF RUU</b>	83,524	1% decrease ↓
SF RUU trips	795,145	
Converted to all <b>MF RUU</b>	116,472	3% decrease ↓
MF RUU trips	774,542	

The results of this analysis show that even under extreme scenarios the recommended conversion exchange rates could only have a negligible (i.e. less than 1% increase) effect on the total trips from development. These exchange rates are based on a very conservative approach that reflects the *maximum theoretical* number of trips to ensure the exchange rates are neutral in terms of environmental impact. Recent traffic analysis demonstrates the actual trips resulting from the built development in the Basin are roughly half of those estimated using this approach. The main reason for these differences is lower than average occupancy rates for lodging and residential (i.e., high rate of absentee ownership) properties in the Lake Tahoe Region. Moreover, the basic density and land use designations in the basin preclude the worst-case scenario from occurring.

**This proposed recommendation will not change or replace the requirement for TRPA project-level environmental review (i.e. review when a development project is proposed) or California CEQA review for local jurisdictions.** Project-level environmental documents would require identification of, and mitigation for, any site-specific potentially significant environmental and threshold impacts. TRPA therefore does not anticipate any adverse environmental impacts will result from the conversion proposal.

Lastly, some Working Group members expressed concerns that the recommended conversion exchange rates may inadvertently dilute existing performance incentives. As previously stated, under the DRSI recommendation, development rights would become fungible across land use categories using an environmentally neutral exchange rate. Under the current development rights system, a certain number of the different types of development rights are released each year in exchange for environmental performance of the jurisdictions. The concern is that the proposed recommendation will dilute the jurisdictions’ incentive to perform (e.g., if a jurisdiction can obtain residential units by converting unused commercial units, the jurisdiction would not prioritize performance as much regarding the biennial release of residential allocations).

**The proposed recommendations and code amendments will not change existing performance review or standards of the local jurisdictions.** Consistent with the Lake Tahoe Regional Plan, Chapter 50: *Allocation of Development* of the TRPA Code of Ordinances establishes the distribution of, and monitoring requirements for, additional commercial floor area (CFA), tourist accommodation units (TAUs), and residential allocations. Additional allocations of CFA and TAUs typically coincide with the amendment of the Regional Plan or adoption of a community or area plan; whereas, residential allocations are disbursed bi-annually based on performance review of the local jurisdictions by TRPA.

As described in more detail in TRPA Code Section 50.5.2.E, each jurisdiction is audited annually for Total Maximum Daily Load (TMDL) implementation and permit monitoring and compliance. Regarding TMDL implementation, each



jurisdiction is responsible for preparing pollutant load reduction plans for designated catchments in their jurisdiction. Consistent with these plans, the local jurisdictions undertake projects and programs that reduce pollutant loads entering Lake Tahoe from stormwater runoff originating from these designated catchments. The jurisdictions document their actions through a comprehensive pollutant tracking and accounting system known as the Lake Clarity Crediting Program (Crediting Program). The results are then reported to TRPA. Underlying the TRPA requirements and incentives to adhere to TMDL standards, is the requirement that the jurisdictions work with the Lahontan Regional Water Quality Control Board or Nevada Division of Environmental Protection, depending on location, to report progress and accomplishments, measure effectiveness and adaptively manage implementation efforts. The TMDL requirements of both States are based on the requirements of the TMDL section of the Federal Clean Water Act.

Regarding permit monitoring and compliance, an audit is performed on a representative sample of permits issued by each jurisdiction with a delegation Memorandum of Understanding (MOU). Results of these audits determine any deductions of residential allocations for each jurisdiction and continued non-compliance can result in revocation of the delegated permitting authority. Any residential allocations that are deducted from the jurisdictions are deposited into the TRPA allocation pool, which can only be used for sensitive lot retirement allocation assignments (thus added environmental benefit from the lot retirement). The DRSI recommendations do not include any changes to the existing allocation system.

TRPA staff does not anticipate that the DRSI recommendations (including conversions between existing development rights) will adversely affect local jurisdiction TMDL performance. First, conversions are not expected to significantly decrease the demand for residential allocations (the “motivator” behind the TMDL link in Code Section 50.5.2.E). According to the options evaluation report created by PlaceWorks, residential units of use are currently valued at \$17,500, whereas a residential allocation obtained from a local jurisdiction is considerably less - the price of the application fee (e.g. In the City of South Lake Tahoe, the allocation filing fee is \$609.00 plus a refundable \$1,000).<sup>6</sup> Based on this price difference, it is clear conversions of existing units will not compete with residential allocations (note that residential allocations may also be acquired from the TRPA pool via the sensitive lot acquisition program).

Second, while the ability to obtain additional allocations is considered an incentive for local jurisdictions to meet TMDL implementation and TRPA permitting and compliance requirements, the possibility that the jurisdiction will be sanctioned (e.g., daily fines) for failure to comply with Federal and State TMDL requirements and/or that they will lose local permitting authority delegated from TRPA is a much stronger incentive for continuing to meet those requirements.

Finally, making conversions easier promotes TMDL implementation as those conversions facilitate environmental redevelopment and the implementation of water quality improvements such as BMP installation, coverage reductions, etc.

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<sup>6</sup> PlaceWorks, Draft Options Evaluation, Development Rights Strategic Initiative, prepared for the Tahoe Regional Planning Agency, Sept. 15, 2017.

## Transfers

The second component of the recommendation this review provides more in-depth analysis on is transfers. The DRSI recommends eliminating (1) overlapping approvals of interjurisdictional development right transfers and (2) the requirement to have an approved project on a receiving site prior to the transfer of a development right.

While the overall outcomes of the Transfer of Development Rights (TDR) program and pilot programs have been positive and are effective in meeting Regional Plan Goals and Policies, the *pace* of that progress should be accelerated. Stakeholders and the development community claim that system complexity and excessive requirements have hindered the environmentally beneficial redevelopment called for in the Regional Plan.

Prior to interjurisdictional transfer of needed development rights, the existing TDR process requires a project to obtain approval of both the local jurisdictions and TRPA. The DRSI recommendations include removal of the upfront requirement for a project to obtain local jurisdictional approval prior to transfer of CFA, TAUs, or RUUs. The project proponent will still be required to obtain the necessary development rights prior to the final permit stage (or “acknowledgement”) and receive TRPA approval for transfers.

**These recommendations do not change regulations governing project compliance with the TRPA Code of Ordinances, applicable local plans, or requirements for development rights needed to construct a project.**

Development projects will be reviewed and approved in accordance with existing zoning, density, coverage, scenic, design, and other standards as called for in the TRPA Code and local plans. Projects exceeding the scope of staff level review as defined in Chapter 2: *Applicability of the Code of Ordinances* will also require review and approval by a Hearings Officer or the Governing Board with public notice.

**The proposed recommendations and code amendments will also retain existing transfer incentives.** The Regional Plan sets forth policies and incentives to encourage sensitive land restoration and development in certain areas suitable for higher density. To encourage sensitive land restoration on private parcels, the TRPA Code allows for the transfer of development rights at a rate greater than 1:1 if the receiving site is located within a Town Center. A residential development right (proposed under the DRSI recommendations to be called “potential residential units of use”) or existing development can be transferred on a sliding scale of 1:1 to 1:6 depending on the type of development, the sensitivity of the land, and location from which the development right is being transferred (TRPA Code Sections 51.3.3, 51.5.3, and 51.6). The table shown below identifies the land capability and distance ratios that can be utilized to calculate a final transfer amount for existing development.

**Table 8: Bonus Unit Incentives for Transferring Existing Development to a Town Center**

<b>Step 1: Determine applicable transfer ratio based on sending parcel.</b>	
<b>Sending Parcel</b>	<b>Transfer Ratio</b>
SEZ	1:3
Other Sensitive Lands	1:2
Non-Sensitive Lands	1:1

  

<b>Step 2: For transfers of existing residential development, determine additional transfer ratio based on distance from centers and/or primary transit routes.</b>	
<b>Distance</b>	<b>Additional Transfer Ratio</b>
Less than ¼ mile, or on the lake-ward side of primary transit routes	1:1
¼ mile to ½ mile	1:1.25
½ mile to 1 mile	1:1.5
1 mile to 1½ mile	1:1.75
Greater than 1½ mile	1:2

  

<b>Step 3: Multiply the applicable ratios from Steps 1 and 2 to determine the applicable transfer ratio.</b>	
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*[1] The provision of Step 2 in the existing table only applied to residential development rights, not commercial or tourist. As part of the DRSI, the Working Group recommended amending this table. See Section 51.5.3.C of Attachment B, Exhibit 1 for proposed language.*

Bonus units resulting from a transfer ratio of greater than 1:1 are distributed from the TRPA pool free of charge to an applicant. This provides incentive to remove and restore development from sensitive parcels or parcels outside of town centers while maintaining the overall development cap.

Hypothetically, if an applicant wanted to develop an 18-unit hotel, he or she could use or convert a full 18 units banked on-site or on another property, or he or she could acquire four units within an SEZ located outside of a town center. In the scenario where the sending site was an SEZ and a mile from a town center, the transfer ratio would be 1:4.5. (See Table 8 above.) The four units in the SEZ would result in four transferred units and 14 bonus units free of charge from the TRPA pool. The relative financial feasibility and marketability of the scenarios presented will determine which scenario is realized. Nevertheless, either scenario will result in environmental benefits in a variety of different forms. For example, if development rights were previously banked on a sensitive lot, that lot would be permanently deed restricted from further use. As discussed in the pilot program section, redevelopment of a property most often results in significant environmental improvements when it replaces legacy development that does not meet current standards.

At their August 23, 2018 meeting, the Working Group recommended revising step two of the “Bonus Unit Incentives for Transferring Existing Development to a Town Center” table. (See Table 9 below.) The existing table in section 51.5.3.C includes transfer incentive ratios based on the sensitivity of the sending site (Step 1) and the location of the receiving site (Step 2). Footnote 1 excludes commercial and tourist uses from taking advantage of Step 2. Per discussion and direction of the Working Group, TRPA staff recommended removing Footnote 1 from the existing table.

The 2012 Regional Plan Update Committee included the subject footnote based on the assumption that most commercial and tourist uses were located within town centers making Step 2 redundant and that neighborhood

commercial generally has positive benefits to the community. As part of the DRSI amendments, development rights are eligible for conversion from one land use type to another. Thus, creating the need for an additional step for project proponents to take full advantage of the transfer ratios. (e.g. if the footnote was left in place, applicants would have to convert commercial or tourist units to residential and then take advantage of Step 1 and 2 of the transfer incentive ratios) This would inevitably create unnecessary additional procedural step in the transfer process. Eliminating footnote 1 would not trigger additional environmental review nor would it effect the environmental analysis completed for the Regional Plan.

**Table 9: Bonus Unit Incentives for Transferring Existing Development to a Town Center**

<b>Step 1: Determine applicable transfer ratio based on sending parcel.</b>	
<b>Sending Parcel</b>	<b>Transfer Ratio</b>
SEZ	1:3
Other Sensitive Lands	1:2
Non-Sensitive Lands	1:1
<b>Step 2: For transfers of existing residential development, determine additional transfer ratio based on distance from centers and/or primary transit routes.</b>	
<b>Distance</b>	<b>Additional Transfer Ratio</b>
Less than ¼ mile, or on the lake-ward side of primary transit routes	1:1
¼ mile to ½ mile	1:1.25
½ mile to 1 mile	1:1.5
1 mile to 1½ mile	1:1.75
Greater than 1½ mile	1:2
<b>Step 3: Multiply the applicable ratios from Steps 1 and 2 to determine the applicable transfer ratio.</b>	

*[1] The provision of Step 2 in the existing table only applied to residential development rights, not commercial or tourist. As part of the DRSI, the Working Group recommended amending this table. See Section 51.5.3.C of Attachment B, Exhibit 1 for proposed language.*

Furthermore, the Working Group clarified that development rights banked and remaining on the original parcel from which the development was removed shall be eligible to receive transfer incentive bonus units regardless of when those rights were banked. Development rights banked and transferred off the original sending site prior to the 2012 Regional Plan Update (December 12, 2012) are not eligible to receive transfer incentives.

Transfer incentives were incorporated into the 2012 Regional Plan update to encourage the acceleration of restoration and relocation of development from sensitive or outlying areas. After the August 23, 2018 meeting, staff clarified with legal counsel that “removed” is intended to refer to those development rights that remain with the original sending site but the building is no longer intact. Under the current code, removal of coverage or development rights for the purpose of banking requires the site to be revegetated and restored to a natural state but do not require the parcel to be restricted from future development. (TRPA Code Section 30.4.3.G.2) Banked development rights under the current code are considered existing and could be reused on-site, thus redeveloping the sensitive parcel. The environmental benefit is realized when the development rights are transferred off of the site which requires the parcel to be restricted. The adopted performance measurements for the 2012 Regional Plan

Update state to “increase the annual average units transferred to Centers from sensitive and remote land compared to the annual average prior to the 2012 Regional Plan amendments”.

By pairing the existing transfer incentives with the DRSI recommendations, it is likely that environmentally beneficial redevelopment will accelerate. Projects will now be able to combine the ability to convert between types of development with the opportunity to obtain bonus unit incentives for removing development rights from sensitive and remote areas.

Table 10 shows the estimated percentage of existing development located within each of the sending areas eligible for bonus units and the significant opportunity that still exists for the removal, restoration and transfer of development from SEZs, other sensitive areas, and remote areas (more than ¼ mile from town centers).

**Table 10: Percentage of Existing Development Located in Sensitive and Remote Areas**

Estimated Existing Development Located In:	Mapped Stream Environment Zones	Other Sensitive Areas	Remote Areas
Commercial	29%	12%	25%
Tourist	21%	8%	18%
Residential	19%	18%	68%

As stated previously, project-level environmental review and impact analysis will remain in place with the transfer incentives and will require mitigation of adverse impacts.

#### Residential Bonus Unit Program

The third, and last, component of the recommendation this review provides more in-depth analysis on is the residential bonus unit program. The DRSI recommends expanding the eligibility criteria of this program.

The existing Residential Bonus Unit program has 1,124 remaining bonus units available within the TRPA pool to encourage residential development for lower-income levels. The DRSI recommendation includes expanding the eligibility criteria of the bonus unit program to address the “affordability gap” in the region (i.e. households earning above the current affordable or moderate-income levels yet still cannot afford a median priced home). Additionally, the Working Group recommended expanding the residential allocation exemption to all three income categories as discussed within the “Recommendation” section and establishing an enforcement strategy to ensure bonus units are used for intended populations. TRPA evaluated the cumulative impacts and potential environmental impacts of the residential bonus units as part of the Regional Plan EIS, and therefore the residential bonus unit program is not reevaluated under this IEC. The Regional Plan EIS analysis evaluated residential bonus units as a full residential unit of use (i.e. a residential development right and residential allocation), therefore expanding the exemption of the residential allocation does not warrant further environmental analysis.

### **3. Determination**

TRPA and PlaceWorks evaluated the potential environmental effects associated with the implementation of the proposed DRSI recommendations in light of the program-level EISs. **Based on the analysis contained in this IEC and the robust monitoring and tracking standards discussed within the “Recommendations” section above, TRPA determined that the proposed recommendations would not have significant effects or adverse impacts on the environment, therefore, a Finding of No Significant Effect will be prepared.**

The code amendments are consistent with Regional Plan goals and policies limiting total development (LU-2.1), encouraging the rehabilitation and redevelopment of existing properties (LU-2.12), promoting redevelopment of Town Centers (LU-1.2, LU-3.3, LU-3.5), promoting housing opportunities (HS-1), and balance of economic/social health and the environment (LU-1.3). The recommendations also support and aim to accelerate the Transfer of Development Program used to attain multiple environmental targets related to soil conversation, sensitive lands restoration, and water quality. Specifically, the recommendations remove barriers to redevelopment and help to incentivize the relocation of development from environmentally sensitive lands to Centers to improve water quality (LU-3.3, LU-3.4, WQ-1.4), reserve development allocations for transfers from sensitive lands to Centers (LU-3.6) and continue the restoration of disturbed SEZs (SEZ-1.1).

The following questionnaire will be completed by the applicant based on evidence submitted with the application. All "Yes" and "No, With Mitigation" answers will require further written comments.

**I. ENVIRONMENTAL IMPACTS:**

**1. Land**

Will the proposal result in:

a. Compaction or covering of the soil beyond the limits allowed in the land capability or Individual Parcel Evaluation System (IPES)?

- |  |  |
|--|--|
| <input type="checkbox"/> Yes                 | <input checked="" type="checkbox"/> No     |
| <input type="checkbox"/> No, With Mitigation | <input type="checkbox"/> Data Insufficient |

b. A change in the topography or ground surface relief features of site inconsistent with the natural surrounding conditions?

- |  |  |
|--|--|
| <input type="checkbox"/> Yes                 | <input checked="" type="checkbox"/> No     |
| <input type="checkbox"/> No, With Mitigation | <input type="checkbox"/> Data Insufficient |

c. Unstable soil conditions during or after completion of the proposal?

- |  |  |
|--|--|
| <input type="checkbox"/> Yes                 | <input checked="" type="checkbox"/> No     |
| <input type="checkbox"/> No, With Mitigation | <input type="checkbox"/> Data Insufficient |

d. Changes in the undisturbed soil or native geologic substructures or grading in excess of 5 feet?

- |  |  |
|--|--|
| <input type="checkbox"/> Yes                 | <input checked="" type="checkbox"/> No     |
| <input type="checkbox"/> No, With Mitigation | <input type="checkbox"/> Data Insufficient |

e. The continuation of or increase in wind or water erosion of soils, either on or off the site?

- |  |  |
|--|--|
| <input type="checkbox"/> Yes                 | <input checked="" type="checkbox"/> No     |
| <input type="checkbox"/> No, With Mitigation | <input type="checkbox"/> Data Insufficient |

f. Changes in deposition or erosion of beach sand, or changes in siltation, deposition or erosion, including natural littoral processes, which may modify the channel of a river or stream or the bed of a lake?

- Yes             No
- No, With Mitigation     Data Insufficient

g. Exposure of people or property to geologic hazards such as earthquakes, landslides, backshore erosion, avalanches, mud slides, ground failure, or similar hazards?

- Yes             No
- No, With Mitigation     Data Insufficient

## 2. Air Quality

Will the proposal result in:

a. Substantial air pollutant emissions?

- Yes             No
- No, With Mitigation     Data Insufficient

b. Deterioration of ambient (existing) air quality?

- Yes             No
- No, With Mitigation     Data Insufficient

c. The creation of objectionable odors?

- Yes             No
- No, With Mitigation     Data Insufficient

d. Alteration of air movement, moisture or temperature, or any change in climate, either locally or regionally?

- Yes             No



No, With Mitigation       Data Insufficient

e. Increased use of diesel fuel?

Yes       No  
 No, With Mitigation       Data Insufficient

**3. Water Quality**

Will the proposal result in:

a. Changes in currents, or the course or direction of water movements?

Yes       No  
 No, With Mitigation       Data Insufficient

b. Changes in absorption rates, drainage patterns, or the rate and amount of surface water runoff so that a 20 yr. 1 hr. storm runoff (approximately 1 inch per hour) cannot be contained on the site?

Yes       No  
 No, With Mitigation       Data Insufficient

c. Alterations to the course or flow of 100-yearflood waters?

Yes       No  
 No, With Mitigation       Data Insufficient

d. Change in the amount of surface water in any water body?

Yes       No  
 No, With Mitigation       Data Insufficient

e. Discharge into surface waters, or in any alteration of surface water quality, including but not limited to temperature, dissolved oxygen or turbidity?

Yes       No

No, With Mitigation       Data Insufficient

f. Alteration of the direction or rate of flow of ground water?

Yes       No

No, With Mitigation       Data Insufficient

g. Change in the quantity of groundwater, either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations?

Yes       No

No, With Mitigation       Data Insufficient

h. Substantial reduction in the amount of water otherwise available for public water supplies?

Yes       No

No, With Mitigation       Data Insufficient

i. Exposure of people or property to water related hazards such as flooding and/or wave action from 100-year storm occurrence or seiches?

Yes       No

No, With Mitigation       Data Insufficient

j. The potential discharge of contaminants to the groundwater or any alteration of groundwater quality?

Yes       No

No, With Mitigation       Data Insufficient

#### 4. Vegetation

Will the proposal result in:

a. Removal of native vegetation in excess of the area utilized for the actual development permitted by the land capability/IPES system?

- Yes
- No
- No, With Mitigation
- Data Insufficient

b. Removal of riparian vegetation or other vegetation associated with critical wildlife habitat, either through direct removal or indirect lowering of the groundwater table?

- Yes
- No
- No, With Mitigation
- Data Insufficient

c. Introduction of new vegetation that will require excessive fertilizer or water, or will provide a barrier to the normal replenishment of existing species?

- Yes
- No
- No, With Mitigation
- Data Insufficient

d. Change in the diversity or distribution of species, or number of any species of plants (including trees, shrubs, grass, crops, micro flora and aquatic plants)?

- Yes
- No
- No, With Mitigation
- Data Insufficient

e. Reduction of the numbers of any unique, rare or endangered species of plants?

- Yes
- No
- No, With Mitigation
- Data Insufficient

f. Removal of stream bank and/or backshore vegetation, including woody vegetation such as willows?

- Yes
- No
- No, With Mitigation
- Data Insufficient

g. Removal of any native live, dead or dying trees 30 inches or greater in diameter at breast height (dbh) within TRPA's Conservation or Recreation land use classifications?

- |  |  |
|--|--|
| <input type="checkbox"/> Yes                 | <input checked="" type="checkbox"/> No     |
| <input type="checkbox"/> No, With Mitigation | <input type="checkbox"/> Data Insufficient |

h. A change in the natural functioning of an old growth ecosystem?

- |  |  |
|--|--|
| <input type="checkbox"/> Yes                 | <input checked="" type="checkbox"/> No     |
| <input type="checkbox"/> No, With Mitigation | <input type="checkbox"/> Data Insufficient |

## 5. Wildlife

Will the proposal result in:

a. Change in the diversity or distribution of species, or numbers of any species of animals (birds, land animals including reptiles, fish and shellfish, benthic organisms, insects, mammals, amphibians or microfauna)?

- |  |  |
|--|--|
| <input type="checkbox"/> Yes                 | <input checked="" type="checkbox"/> No     |
| <input type="checkbox"/> No, With Mitigation | <input type="checkbox"/> Data Insufficient |

b. Reduction of the number of any unique, rare or endangered species of animals?

- |  |  |
|--|--|
| <input type="checkbox"/> Yes                 | <input checked="" type="checkbox"/> No     |
| <input type="checkbox"/> No, With Mitigation | <input type="checkbox"/> Data Insufficient |

c. Introduction of new species of animals into an area, or result in a barrier to the migration or movement of animals?

- |  |  |
|--|--|
| <input type="checkbox"/> Yes                 | <input checked="" type="checkbox"/> No     |
| <input type="checkbox"/> No, With Mitigation | <input type="checkbox"/> Data Insufficient |

d. Deterioration of existing fish or wildlife habitat quantity or quality?

- |                              |  |
|------------------------------|--|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
|------------------------------|--|

No, With Mitigation       Data Insufficient

## 6. Noise

Will the proposal result in:

- a. Increases in existing Community Noise Equivalency Levels (CNEL) beyond those permitted in the applicable Area Plan, Plan Area Statement, Community Plan or Master Plan?

Yes       No  
 No, With Mitigation       Data Insufficient

- b. Exposure of people to severe noise levels?

Yes       No  
 No, With Mitigation       Data Insufficient

- c. Single event noise levels greater than those set forth in the TRPA Noise Environmental Threshold?

Yes       No  
 No, With Mitigation       Data Insufficient

- d. The placement of residential or tourist accommodation uses in areas where the existing CNEL exceeds 60 dBA or is otherwise incompatible?

As required by Chapter 3: Environmental Documentation of the TRPA Code, Noise impacts will be analyzed for specific transfer of development projects during project permitting. The transfers of tourist lodging will be restricted to Centers in the Transfer of Development Program; though the exact area of tourist lodging placement is unknown. The 2011 threshold evaluation shows that the Region is at target or somewhat better for Cumulative Noise Events in Hotel/Motel and commercial areas.

Yes       No  
 No, With Mitigation       Data Insufficient

- e. The placement of uses that would generate an incompatible noise level in close proximity to existing residential or tourist accommodation uses?

- Yes                       No
- No, With Mitigation       Data Insufficient

f. Exposure of existing structures to levels of ground vibration that could result in structural damage?

- Yes                       No
- No, With Mitigation       Data Insufficient

**7. Light and Glare**

Will the proposal:

a. Include new or modified sources of exterior lighting?

- Yes                       No
- No, With Mitigation       Data Insufficient

b. Create new illumination which is more substantial than other lighting, if any, within the surrounding area?

- Yes                       No
- No, With Mitigation       Data Insufficient

c. Cause light from exterior sources to be cast off -site or onto public lands?

- Yes                       No
- No, With Mitigation       Data Insufficient

d. Create new sources of glare through the siting of the improvements or through the use of reflective materials?

- Yes                       No
- No, With Mitigation       Data Insufficient

**8. Land Use**

Will the proposal:

- a. Include uses which are not listed as permissible uses in the applicable Plan Area Statement, adopted Community Plan, or Master Plan?

Yes             No  
 No, With Mitigation     Data Insufficient

- b. Expand or intensify an existing non-conforming use?

Yes             No  
 No, With Mitigation     Data Insufficient

### 9. Natural Resources

Will the proposal result in:

- a. A substantial increase in the rate of use of any natural resources?

Yes             No  
 No, With Mitigation     Data Insufficient

- b. Substantial depletion of any non-renewable natural resource?

Yes             No  
 No, With Mitigation     Data Insufficient

### 10. Risk of Upset

Will the proposal:

- a. Involve a risk of an explosion or the release of hazardous substances including, but not limited to, oil, pesticides, chemicals, or radiation in the event of an accident or upset conditions?

Yes             No  
 No, With Mitigation     Data Insufficient

- b. Involve possible interference with an emergency evacuation plan?

- Yes                       No
- No, With Mitigation       Data Insufficient

**11. Population**

Will the proposal:

- a. Alter the location, distribution, density, or growth rate of the human population planned for the Region?

The implementation of the transfer of development program was analyzed in the 2012 Regional Plan Update. The Code amendments would allow the transfer program to operate consistent with the assumptions and analysis in the 2012 Regional Plan Update EIS, which found that the program would have beneficial effects on the location, distribution, density, and growth rate of human population in the Region. (2-2 to 2-3, 2-6 to 2-7 Regional Plan Update Final EIS [http://www.trpa.org/wp-content/uploads/Volume\\_1\\_RPU\\_FEIS.pdf](http://www.trpa.org/wp-content/uploads/Volume_1_RPU_FEIS.pdf).)

- Yes                       No
- No, With Mitigation       Data Insufficient

- b. Include or result in the temporary or permanent displacement of residents?

- Yes                       No
- No, With Mitigation       Data Insufficient

**12. Housing**

Will the proposal:

- a. Affect existing housing, or create a demand for additional housing?

To determine if the proposal will affect existing housing or create a demand for additional housing, please answer the following questions:

- (1) Will the proposal decrease the amount of housing in the Tahoe Region?

- Yes                       No
- No, With Mitigation       Data Insufficient



(2) Will the proposal decrease the amount of housing in the Tahoe Region historically or currently being rented at rates affordable by lower and very-low-income households?

- Yes                       No
- No, With Mitigation                       Data Insufficient

Number of Existing Dwelling Units: \_\_\_\_\_

Number of Proposed Dwelling Units: \_\_\_\_\_

b. Will the proposal result in the loss of housing for lower-income and very-low-income households?

- Yes                       No
- No, With Mitigation                       Data Insufficient

### 13. Transportation/Circulation

Will the proposal result in:

a. Generation of 100 or more new Daily Vehicle Trip Ends (DVTE)?

As required by Chapter 3: Environmental Documentation of the TRPA Code, Transportation/Circulation impacts will be analyzed for specific transfer of development projects during project permitting. VMT impacts and the associated mitigation will be detected through regional modeling, regularly occurring every 4 years. In addition, potential regional VMT impacts are mitigated at the project level through localized trip generation calculations as an Air Quality Mitigation fee.

- Yes                       No
- No, With Mitigation                       Data Insufficient

b. Changes to existing parking facilities, or demand for new parking?

- Yes                       No
- No, With Mitigation                       Data Insufficient

c. Substantial impact upon existing transportation systems, including highway, transit, bicycle or pedestrian facilities?

- Yes                       No
- No, With Mitigation       Data Insufficient

d. Alterations to present patterns of circulation or movement of people and/or goods?

The proposed Code amendments will facilitate transfers of development to designated Centers, which will promote circulation patterns consistent with Regional Transportation Plan, Regional Plan, and supporting environmental analysis.

- Yes                       No
- No, With Mitigation       Data Insufficient

e. Alterations to waterborne, rail or air traffic?

- Yes                       No
- No, With Mitigation       Data Insufficient

f. Increase in traffic hazards to motor vehicles, bicyclists, or pedestrians?

- Yes                       No
- No, With Mitigation       Data Insufficient

**14. Public Services**

Will the proposal have an unplanned effect upon, or result in a need for new or altered governmental services in any of the following areas?

As required by Chapter 3: Environmental Documentation of the TRPA Code, Public Service impacts will be analyzed for specific transfer of development projects during project permitting.

a. Fire protection?

- Yes                       No
- No, With Mitigation       Data Insufficient

b. Police protection?

- Yes                       No
- No, With Mitigation       Data Insufficient

c. Schools?

- Yes                       No
- No, With Mitigation       Data Insufficient

d. Parks or other recreational facilities?

- Yes                       No
- No, With Mitigation       Data Insufficient

e. Maintenance of public facilities, including roads?

- Yes                       No
- No, With Mitigation       Data Insufficient

f. Other governmental services?

- Yes                       No
- No, With Mitigation       Data Insufficient

**15. Energy**

Will the proposal result in:

a. Use of substantial amounts of fuel or energy?

- Yes                       No
- No, With Mitigation       Data Insufficient

b. Substantial increase in demand upon existing sources of energy, or require the development of new sources of energy?

- Yes                       No

No, With Mitigation       Data Insufficient

**16. Utilities**

Except for planned improvements, will the proposal result in a need for new systems, or substantial alterations to the following utilities:

a. Power or natural gas?

Yes                       No  
 No, With Mitigation       Data Insufficient

b. Communication systems?

Yes                       No  
 No, With Mitigation       Data Insufficient

c. Utilize additional water which amount will exceed the maximum permitted capacity of the service provider?

Yes                       No  
 No, With Mitigation       Data Insufficient

d. Utilize additional sewage treatment capacity which amount will exceed the maximum permitted capacity of the sewage treatment provider?

Yes                       No  
 No, With Mitigation       Data Insufficient

e. Storm water drainage?

Yes                       No  
 No, With Mitigation       Data Insufficient

f. Solid waste and disposal?

- Yes                       No
- No, With Mitigation       Data Insufficient

**17. Human Health**

Will the proposal result in:

a. Creation of any health hazard or potential health hazard (excluding mental health)?

- Yes                       No
- No, With Mitigation       Data Insufficient

b. Exposure of people to potential health hazards?

- Yes                       No
- No, With Mitigation       Data Insufficient

**18. Scenic Resources/Community Design**

Will the proposal:

a. Be visible from any state or federal highway, Pioneer Trail or from Lake Tahoe?

- Yes                       No
- No, With Mitigation       Data Insufficient

b. Be visible from any public recreation area or TRPA designated bicycle trail?

- Yes                       No
- No, With Mitigation       Data Insufficient

c. Block or modify an existing view of Lake Tahoe or other scenic vista seen from a public road or other public area?

- Yes                       No

No, With Mitigation       Data Insufficient

d. Be inconsistent with the height and design standards required by the applicable ordinance or Community Plan?

Yes       No  
 No, With Mitigation       Data Insufficient

e. Be inconsistent with the TRPA Scenic Quality Improvement Program (SQIP) or Design Review Guidelines?

Yes       No  
 No, With Mitigation       Data Insufficient

**19. Recreation**

Does the proposal:

a. Create additional demand for recreation facilities?

Yes       No  
 No, With Mitigation       Data Insufficient

b. Create additional recreation capacity?

Yes       No  
 No, With Mitigation       Data Insufficient

c. Have the potential to create conflicts between recreation uses, either existing or proposed?

Yes       No  
 No, With Mitigation       Data Insufficient

d. Result in a decrease or loss of public access to any lake, waterway, or public lands?

- Yes                       No
- No, With Mitigation       Data Insufficient

**20. Archaeological/Historical**

a. Will the proposal result in an alteration of or adverse physical or aesthetic effect to a significant archaeological or historical site, structure, object or building?

- Yes                       No
- No, With Mitigation       Data Insufficient

b. Is the proposed project located on a property with any known cultural, historical, and/or archaeological resources, including resources on TRPA or other regulatory official maps or records?

- Yes                       No
- No, With Mitigation       Data Insufficient

c. Is the property associated with any historically significant events and/or sites or persons?

- Yes                       No
- No, With Mitigation       Data Insufficient

d. Does the proposal have the potential to cause a physical change which would affect unique ethnic cultural values?

- Yes                       No
- No, With Mitigation       Data Insufficient

e. Will the proposal restrict historic or pre-historic religious or sacred uses within the potential impact area?

- Yes                       No
- No, With Mitigation       Data Insufficient

**21. Findings of Significance.**

- a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California or Nevada history or prehistory?

Yes                       No  
 No, With Mitigation       Data Insufficient

- b. Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals? (A short-term impact on the environment is one which occurs in a relatively brief, definitive period of time, while long-term impacts will endure well into the future.)

Yes                       No  
 No, With Mitigation       Data Insufficient

- c. Does the project have impacts which are individually limited, but cumulatively considerable? (A project may impact on two or more separate resources where the impact on each resource is relatively small, but where the effect of the total of those impacts on the environmental is significant?)

Yes                       No  
 No, With Mitigation       Data Insufficient

- d. Does the project have environmental impacts which will cause substantial adverse effects on human being, either directly or indirectly?

Yes                       No  
 No, With Mitigation       Data Insufficient



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Determination:

On the basis of this evaluation:

- a. The proposed project could not have a significant effect on the environment and a finding of no significant effect shall be prepared in accordance with TRPA's Rules of Procedure.

Yes       No

- b. The proposed project could have a significant effect on the environment, but due to the listed mitigation measures which have been added to the project, could have no significant effect on the environment and a mitigated finding of no significant effect shall be prepared in accordance with TRPA's Rules and Procedures.

Yes       No

- c. The proposed project may have a significant effect on the environment and an environmental impact statement shall be prepared in accordance with this chapter and TRPA's Rules of Procedure

Yes       No



\_\_\_\_\_  
Signature of Evaluator

Date October 3, 2018

\_\_\_\_\_  
TRPA Senior Planner, Long Range and Transportation Division  
Title of Evaluator