



Mail
PO Box 5310
Stateline, NV 89449-5310

Location
128 Market Street
Stateline, NV 89449

Contact
Phone: 775-588-4547
Fax: 775-588-4527
www.trpa.org

MEMORANDUM

Date: June 27, 2014
To: Coverage Transfer Across HRAs Working Group
From: TRPA Staff
Subject: Evaluation and prioritization of initial coverage transfer options

Requested Action:

Review the options to address coverage transfers across Hydrologically Related Areas (HRAs) and associated information. Revise the options identified at the last meeting, as needed, and if possible identify the top recommendation or prioritize the top two or three alternatives for further refinement and analysis in anticipation of a final recommendation on August 20, 2014.

Options identified at the last working group meeting include:

1. Allow transfers across HRA boundaries for coverage transferred out of sensitive lands.
2. Allow coverage transfers across HRA boundaries to Centers to facilitate environmental redevelopment.
3. Allow transfers across HRA boundaries for affordable housing and/or EIP projects.
4. Develop an alternative approach that addresses watershed conditions and/or connectivity with Lake Tahoe and is more effective at meeting the HRA objectives while being simpler to administer.
5. Redefine the HRA boundaries to follow jurisdictional boundaries.
6. Allow transfers across HRAs to registered catchments that meet TMDL load reductions.

Overview:

At their annual priority setting workshop in February 2013, the TRPA Governing Board directed staff to complete a detailed review of coverage transfers across hydrologic zones that includes presentations from the California Tahoe Conservancy (CTC) and the Nevada Division of State Lands (NDSL). At their annual priority setting workshop in 2014, the Governing Board directed staff to also address excess coverage mitigation fees as a second phase to this project.

The Regional Plan Implementation Committee (RPIC) endorsed formation of the Coverage Transfers Across HRAs Working Group, who held their first meeting on March 10, 2014. The Working Group identified six options to address coverage transfers across HRAs as well as a number of data needs to inform their recommendations on changes to TRPA policy and/or code. See the attachments to this memo for the background data requested by the working group.

At the July 8, 2014 Coverage Transfers Across HRAs Working Group meeting, TRPA staff requests that the Working Group revise the options identified at the last working group meeting, if necessary, and advance the top recommendation(s) for further refinement and analysis. At the August 20, 2014 meeting, the Working Group will be asked to make final recommendations on changes to coverage transfer provisions. After making final recommendation on changes to coverage transfer provisions, the working group will be asked to evaluate revisions to excess coverage mitigation provisions. Once the Working Group develops recommendations addressing both coverage transfers and excess coverage mitigation, these recommendations will be advanced to

the Advisory Planning Commission for review and consideration prior to consideration by the Regional Plan Implementation Committee and the full TRPA Governing Board.

Background

The 1987 TRPA Regional Plan divided the Tahoe Region into nine designated geographical areas that incorporate one or more watersheds. Transfers of coverage may only occur within the same HRAs, with the intent to limit coverage transfers to a reasonable distance from the sending site for two interrelated reasons: (1) so as not to affect water quality any differently than if the development occurred on the sending parcel, (2) avoid aggregating coverage in any particular HRA.

The 2012 Regional Plan Update EIS (RPU EIS) found that restricting coverage transfers within HRAs maintained roughly the existing proportion of coverage within each HRA.¹ The RPU EIS and the Tahoe Basin Impervious Surface Coverage Study Final Report commissioned by the California Tahoe Conservancy (Coverage Study) identified barriers in the current HRA provisions that limit the rate of coverage removal from sensitive lands and limit BMP implementation that could result from increased coverage transfers.² Both the RPU EIS and Coverage Study found that since the existing HRAs contain multiple watersheds, they do not effectively limit coverage at a watershed scale.

Both the RPU EIS and Coverage Study found that the removal of restrictions on transfers of coverage across HRAs would result in regional benefits to water quality and soil conservation by accelerating the transfer of coverage out of sensitive land (due to transfer ratios that incentivize transfers out of sensitive land, and requirements that transferred coverage be placed on less sensitive land), by reducing the total amount of coverage (due to transfer ratios that result in a net reduction of coverage), and by reducing coverage without BMPs and increasing the proportion of coverage that has BMPs (due to easily enforceable permit requirements that require BMPs on transferred coverage). They also found that removing HRA restrictions would have community and economic benefits by facilitating projects constrained by current transfer restrictions.

However, the Coverage Study noted that certain transfers could have site-specific impacts by allowing coverage to be transferred to individual areas where coverage impacts could be higher due to site characteristics such as precipitation amounts or connectivity to the Lake. The relevant chapter from the RPU EIS and the Coverage Study are available at www.trpa.org/coverage-transfers-across-hras-working-group-meeting-materials/.

The 2012 Regional Plan Update allowed expenditures of excess land coverage mitigation fees across HRA boundaries and removed restrictions requiring off-site coverage mitigation by a project proponent to occur within the same HRA, provided that off-site restoration occurs on more sensitive land than the project area.³ The Regional Plan Update did not change provisions for transfers of coverage across HRAs, and instead called for the formation of this working group to develop recommendations.

Options and Analysis

An initial analysis of each option identified by the working group is provided below:

1. Allow transfers across HRA boundaries for coverage transferred out of sensitive lands.

¹ Regional Plan Update Draft Environmental Impact Statement, *Geology, Soils, Land Capability and Coverage*, April 2012, p. 3.7-24: http://www.trpa.org/wp-content/uploads/3.7_Geology_Soils.pdf

² Doherty, E. and J. Sokulsky. 2012. "Tahoe Basin Impervious Surface Coverage Study Final Report." Prepared by Environmental Incentives, LLC. for the California Tahoe Conservancy. South Lake Tahoe, CA.

³ TRPA Code sections 30.6.B.2 and 30.6.B.3: http://www.trpa.org/wp-content/uploads/TRPA_Code_of_Ordinances.pdf

This option would allow coverage transfers across HRA boundaries if the sending site was classified as sensitive land (land capability districts 1 – 3). Per TRPA Code, the receiving site would have to be in a less sensitive land capability district than the sending site and the receiving site would be required to install water quality BMPs.

Pros:

- This approach could significantly accelerate the removal of coverage from sensitive lands where it can be more impactful.
- This approach would be relatively simple to implement and administer.
- This would benefit all types of projects in need of coverage (e.g. residential, public service, commercial).

Cons:

- This approach would not address variations in other site characteristics on the receiving site beyond the existing protections (e.g. restrictions on coverage in sensitive lands, TMDL load reduction requirements, BMP requirements, receiving site coverage limits, etc.).

Potential Revisions:

- Consider modifying this approach to limit coverage transfers across HRA boundaries to existing coverage transferred out of sensitive lands. This would ensure that transfers maximize environmental benefit by removing impacts from existing coverage rather than allowing transfers of potential coverage, which in some cases might not otherwise be developed.
- Consider revising this approach to limit transfers from only SEZs, which are the most sensitive land capability districts, or only allowing transfers from SEZs or class 2 lands, which are the land capability classes that are over-covered⁴.

Recommendation:

Advance a revised version of this option for further analysis.

2. Allow coverage transfers across HRA boundaries to Centers to facilitate environmental redevelopment.

This option would allow coverage transfers across HRA boundaries from any sending site, but only to receiving sites within designated Centers, which are the existing mixed-use areas targeted for compact redevelopment.

Pros:

- This approach would further incentivize compact redevelopment in existing centers, which benefits traffic reduction and reductions in air pollutant and Greenhouse Gas emissions.
- This approach would be relatively simple to implement and administer.

Cons:

- This approach would not address variations in other site characteristics on the receiving site beyond the existing protections (e.g. restrictions on coverage on sensitive lands, TMDL load reduction requirements, BMP requirements, receiving site coverage limits, etc.).

⁴ 2011 Threshold Evaluation available at: <http://www.trpa.org/regional-plan/threshold-evaluation/>

- Centers typically already include significant amounts of coverage and likely represent significantly less demand for transferred coverage than single family residential areas, so this approach would only minimally accelerate coverage reductions and BMP installation through accelerated coverage transfers.

Potential Revisions:

- None identified

Recommendation:

Do not advance this option for further analysis.

3. Allow transfers across HRA boundaries for affordable housing and/or EIP projects.

This option would allow coverage transfers across HRA boundaries from any sending site, but only to receiving sites that are being used for environmental improvement projects (e.g. erosion control or recreation projects) or deed-restricted low or moderate income housing.

Pros:

- This approach would facilitate environmental improvement and affordable housing projects, which result in environmental and social benefits (e.g. direct benefits from EIP projects, vehicle trip reduction through providing in-basin workforce housing).

Cons:

- This approach would not address variations in other site characteristics on the receiving site beyond the existing protections (e.g. restrictions on coverage on sensitive lands, TMDL load reduction requirements, BMP requirements, receiving site coverage limits, etc.).
- Many EIP projects do not require significant amounts of coverage, or in some cases significant coverage reserves are available for EIP projects, so the approach would likely only minimally accelerate EIP projects and coverage reductions and BMP improvements from coverage transfers.

Potential Revisions:

- None identified

Recommendation:

Do not advance this option for further analysis.

4. Develop an alternative approach that addresses watershed conditions and/or connectivity with Lake Tahoe and is more effective at meeting the HRA objectives while being simpler to administer.

This option would replace the existing HRA coverage transfer restrictions with limitations on coverage transfers that reflect watershed conditions or connectivity to Lake Tahoe. Staff recommends that if this approach is pursued, it be based on the existing watershed condition score system developed as part of the Individual Parcel Evaluation System (IPES). The watershed condition score ranks watersheds based on estimated potential to deliver sediment and nutrients into Lake Tahoe. The watershed rankings are based on geomorphic, streamflow, and precipitation characteristics; approximate nutrient and sediment yield; and approximate amounts of existing compared to allowable coverage. See attachment B for additional detail on watershed rankings. This alternative could allow coverage transfers from

watersheds with lower scores (i.e. greater estimated potential for sediment and nutrient delivery) to watersheds with higher scores (i.e. less estimated potential for sediment and nutrient delivery).

Pros:

- This approach would address variations in watershed characteristics on the receiving site and would promote coverage transfers out of watersheds where it is believed to have a greater impact.
- This would benefit all types of projects in need of coverage (e.g. residential, public service, commercial).

Cons:

- This approach would be based on static estimates of watershed condition, but watershed condition could change over time as restoration and other projects are implemented.
- This approach could accelerate coverage removal and BMP implementation from coverage transfers in some watersheds, but could significantly decelerate it in others.

Potential Revisions:

- Consider allowing transfers based on whether the watershed falls into a high, medium, or low priority category rather than on individual watershed scores.
- Consider maintaining the current HRA limits, but allowing transfers across HRA boundaries only if it is to a watershed with less potential for sediment and nutrient delivery based on the watershed score. This could maintain at a minimum the existing pool of coverage available for transfers in each HRA, but accelerate transfers into watersheds where it is believed to be less impactful.

Recommendation:

Consider advancing a revised version of this option for further analysis.

5. Redefine the HRA boundaries to follow jurisdictional boundaries.

This option would replace HRA boundaries with jurisdictional boundaries (i.e. County and City boundaries). This would allow coverage transfers between sending and receiving sites that are within the same jurisdiction, but would prohibit coverage transfers across jurisdictions.

Pros:

- This approach could significantly accelerate coverage reduction and BMP implementation associated with coverage transfers by expanding the number of sending sites that could send coverage to each receiving site.
- This would benefit all types of projects in need of coverage (e.g. residential, public service, commercial).
- This approach would be relatively simple to implement and administer.

Cons:

- This approach would not address variations in other site characteristics on the receiving site beyond the existing protections (e.g. restrictions on coverage on sensitive lands, TMDL load reduction requirements, BMP requirements, receiving site coverage limits, etc.).

Potential Revisions:

- None identified

Recommendation:

Do not advance this option for further analysis.

6. Allow transfers across HRAs to registered catchments that meet TMDL load reductions.

This option would maintain HRA boundaries, but would allow coverage transfers across HRA boundaries if the receiving site was in a registered catchment that is meeting TMDL load reduction requirements. The intent of this option was to use existing TMDL load reduction modeling and monitoring to ensure the receiving site does not increase pollutant loading. Based on discussions with Lahontan Water Board staff, TRPA staff is recommending that this option be revised to allow coverage transfers to receiving sites if a project-scale pollutant loading analysis indicates that the transfer will not increase pollutant loading. This modification would still utilize current load reduction tools, but would be at a more appropriate scale and timing than using TMDL catchments. This approach would require using a project-specific pollutant load model, such as the Load Reduction Planning Tool⁵, or a subwatershed scale model, such as the Pollutant Load Reduction Model, to evaluate the effects of an individual coverage transfer proposal across HRA boundaries.

Pros:

- This approach would address variations in site characteristics on the receiving site by requiring site-specific analysis of pollutant loading changes and would only allow coverage transfers across HRA boundaries if the analysis showed no increase in loading to Lake Tahoe.
- This approach would allow the most current tools and data to be used to evaluate effects of individual coverage transfer proposals.

Cons:

- This approach would require that a project applicant pay for loading analysis at a project scale. This would likely provide a barrier to some coverage transfers across HRA boundaries resulting in limited increases in coverage removal and BMP implementation as a result of coverage transfers.

Potential Revisions:

- None identified beyond the revisions described above.

Recommendation:

Consider advancing this option for further analysis.

Recommendations

TRPA staff suggests advancing the following option for further refinement and analysis:

- Allow transfers across HRA boundaries for existing coverage transferred out of sensitive lands.

If the working group prefers the addition of other options, TRPA staff suggests advancing the following options for further refinement and analysis:

- Allow coverage transfers across HRA boundaries if the coverage is transferred into a watershed that has a higher IPES watershed condition score.
- Allow transfers across HRAs if a project-scale pollutant loading model indicates that the transfer would not increase pollutant loading to Lake Tahoe.

⁵ http://www.2ndnaturellc.com/wp-content/uploads/2013/01/LRPTv2_GuidanceFINAL.pdf

Contact Information: If you have any questions, please contact Adam Lewandowski, Long Range Planning Manager at 775.589.5233 or alewandowski@trpa.org; or Jennifer Cannon, Associate Planner at 775.589.5297 or jcannon@trpa.org.

Attachments:

- A. Existing coverage data summary
- B. IPES Watershed condition score summary
- C. TMDL loading and catchment summary
- D. Map of nearshore conditions
- E. Land bank process summary
- F. Coverage demand analysis