
MEMORANDUM

Date: October 24, 2012
To: TRPA/TMPO Governing Board
Advisory Planning Commission
From: TRPA Staff
Subject: Final Draft Regional Plan Documents

Requested Action: Review the enclosed “Regional Plan Update” documents for discussion and possible direction this month and in November; and for final action in December. Updated documents include:

1. Threshold Evaluation;
2. Regional Plan and Final Environmental Impact Statement;
3. Regional Transportation Plan and Final Environmental Impact Report; and
4. Code of Ordinances;

Summary: The 2012 Regional Plan Update is a strategic modernization of TRPA’s planning and regulatory documents. In combination, the Policies, Ordinances and Implementation Measures will achieve and maintain TRPA’s adopted Environmental Threshold Standards, while providing opportunities for orderly development consistent with the adopted Threshold Standards.

The 2012 Regional Plan retains the regulatory framework from the existing 1987 Regional Plan, while making targeted amendments to accelerate threshold attainment and respond to current conditions. The proposed policy changes are supported by extensive information and study - and respond to a diverse range of public input. The documents have been vetted through an exhaustive public outreach process and have undergone detailed environmental analyses. Consideration has been given to the findings and recommendations of the 2011 Threshold Evaluation. Policy direction has been provided by the Governing Board and the Regional Plan Update Committee at various points in the planning process.

The Regional Plan Documents have been modified to reflect Governing Board endorsements on August 22, 2012, including the Bi-State Recommendation for unresolved issues and applicable mitigation measures from the Draft EIS. The “Technical Working Group” reviewed and endorsed Plan and Code language as being consistent with the Governing Board direction.

This Memorandum summarizes the 2012 Regional Plan Update, including current conditions, progress towards threshold attainment, amendment strategies, and resolution of disputed issues. Exhibits include a summary of the planning process (Exhibit A), a table of modifications in the Final Draft Plan and Code (Exhibit B), responses to comments on the Threshold Evaluation (Exhibit C), and responses to summarized comments on planning and policy proposals (Exhibit D). Detailed responses to comments related to the environmental documents are provided within the respective EIS/EIR.

The Planning Process: This 2012 Regional Plan Update has been informed by a comprehensive public outreach process, extensive technical studies, detailed scientific research, and a high level dispute-resolution process. The nine-year process has involved hundreds of public meetings, input from thousands of groups and individuals, and millions of dollars of scientific research.

Between 2004 and 2010, an extensive public outreach process was conducted to review the latest Threshold Evaluations and identify the Region’s “Vision” for the Regional Plan Update. Priority amendment topics were identified by the Board at the conclusion of the initial process.

In 2011 and early 2012, the Regional Plan Update Committee of the Governing Board prepared the April 25, 2012 Draft Regional Plan (“April Draft Plan”). Provisions in the April Draft Plan were developed through an exhaustive public review of existing Policies and proposed amendments. Every word of the Regional Plan was reviewed, debated by participants, and ultimately voted upon by the Regional Plan Update Committee at a series of 15 full-day public meetings. Wherever possible, compromise language was developed to resolve concerns that emerged at Committee meetings. Approximately 89 percent of the actions were unanimous. Non-unanimous topics were the focus of later discussions and compromises.

Following release of the April Draft Plan, public comments were received and “Bi-State Consultations” were sponsored by the States of California and Nevada to develop compromise recommendations for non-unanimous topics in the April Draft Plan. The “Final Draft Plan” reflects “Bi-State Recommendations” and other changes that respond to public comments. Exhibit A provides additional details regarding the Planning Process.

Changes in Final Draft Regional Plan: On August 22, 2012, the Governing Board endorsed modifications to the April Draft Plan and Code, upholding the August 15 recommendation of the Regional Plan Update Committee. Amendments included the Bi-State Recommendations for non-unanimous issues, applicable mitigation measures from the Draft EIS, and other modifications responding to public comment. The Governing Board appointed a Technical Working Group (including state, agency, and public representatives) to review the necessary Plan and Code edits. The Technical Working Group has reviewed and endorsed Plan and Code language as being consistent with the Governing Board action. Specific Plan and Code modifications are detailed in Exhibit B.

To facilitate public review, the Final Draft Regional Plan and Final Draft Code of Ordinances are available in “clean” versions as well as “track change” versions. The track change versions can be used to identify changes from the existing Regional Plan and Code (shown in ~~strikethrough~~/underline format) and changes from the April Draft Plan and Code (identified with **yellow highlighting** for substantive changes and in **grey highlighting** for grammatical improvements and technical corrections). Changes made to the Threshold Evaluation and the Regional Transportation Plan since the April Drafts are identified in “compare version” copies of those documents.

Context for the Regional Plan Update: Conditions in the Lake Tahoe Region are very different today than they were in the 1980's when the existing Regional Plan was developed.

By the 1980's, the Region had experienced decades of rapid development. The economy was thriving, but the environment was suffering. More than half of the Region's marshes and wetlands had been developed and plans were in place for additional development that could have increased the Region's population to 750,000 people (more than ten times the current population). Lake Tahoe's water clarity was declining by about one foot per year. The 1980 TRPA Compact was adopted in response to the looming environmental threats, requiring that development be managed in accordance with environmental carrying capacities. A top priority for the initial Regional Plan in the 1980's was minimizing new development that would be allowed at Lake Tahoe. In response, strict growth control limits and environmental regulatory constraints were adopted and implemented.

In 2012, the Region faces different challenges. TRPA's strict growth control system has been in place for 25 years and over \$1 Billion has been invested in environmental restoration projects. Overall, these efforts appear to be working. Unconstrained growth is no longer a threat, Lake Tahoe's water clarity has stabilized and many environmental indicators are showing improvement. The responsible programs and regulatory constraints are maintained in this Regional Plan Update.

While environmental conditions have stabilized, socioeconomic conditions have deteriorated. Troubling socio-economic trends include well above-average unemployment rates, unaffordable housing, high poverty levels, reduced housing occupancy, population and workforce declines and public school closings. These trends are also impacting the environment – largely by making the system unsustainable for people to live, work and enjoy recreation and tourism in the Tahoe Region. Many people drive considerable distances between their homes, work and recreation sites, creating a significant environmental impact.

The focus of this Regional Plan Update is to achieve TRPA's Environmental Threshold Standards by reducing existing sources of pollution – and to do so in a way that supports a healthy economy and social fabric. Adding to the challenge, public agencies at all levels are facing budget shortfalls and public funding for environmental restoration is declining. The Draft Regional Plan includes a variety of public and private strategies to improve environmental conditions with an increased emphasis on privately funded efforts and public-private partnerships.

2011 Threshold Evaluation: In April 2012, TRPA completed and publically presented a Draft 2011 Threshold Evaluation outlining environmental conditions and trends.

Like prior evaluations, the 2011 Threshold Evaluation was developed in accordance with the Regional Plan directives and through a science-based process that involved the compilation and analysis of Basin-specific monitoring data regarding environmental conditions and the status of Threshold attainment. Additionally, to provide the strongest possible foundation for 2012

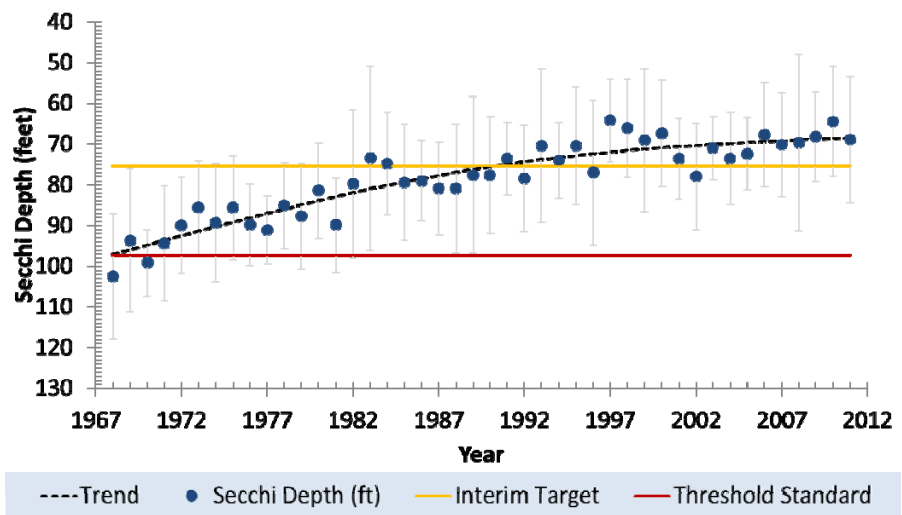
Regional Plan Update, 2011 Threshold Evaluation underwent an independent peer review by a diverse panel of environmental scientist not affiliated with the Lake Tahoe Region. The comprehensive nature of the 2011 Threshold Evaluation and recommendations from peer reviewers have helped clarify current status and trends in environmental conditions and potential factors that may contribute to conditions and trends. Information and findings from the 2011 Threshold Evaluation were publically reported to the Regional Plan Update Committee throughout the plan drafting process. Responses to public comments regarding the April Draft Threshold Evaluation are provided in Exhibit C. Modifications made in response to public comments are identified in the “compare version” copy of the Final Draft 2011 Threshold Evaluation. Changes include a number of clarifications, but do not reflect the restructuring of the document that was recommended by some commenters.

The Compact requires that the Regional Plan achieve and maintain adopted Threshold Standards. As a result, addressing the most challenging threshold categories is a top priority for the Regional Plan Update.

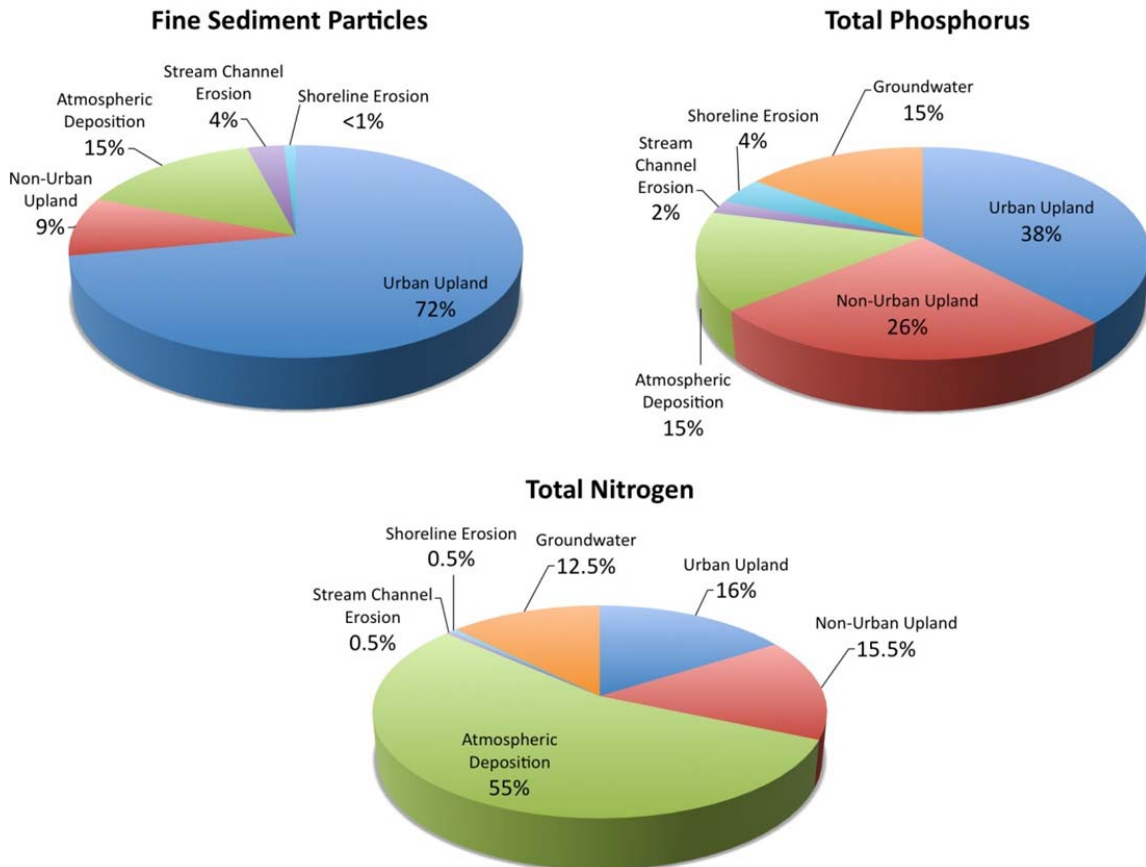
The Threshold Evaluation indicates that significant progress has been made towards many environmental goals and that trends are increasingly positive. Programs that protect undeveloped land, restore natural systems, and retrofit the built environment have benefitted Lake Tahoe’s environment.

The Evaluation also indicates that significant restoration challenges remain. Topics of primary concern include Water Quality, Stream Environment Zone (SEZ) Restoration, Transportation (Air Quality and Noise) and Scenic Quality in developed areas. Challenges in these categories involve addressing the continuing impact of pre-TRPA development activities to accelerate environmental progress.

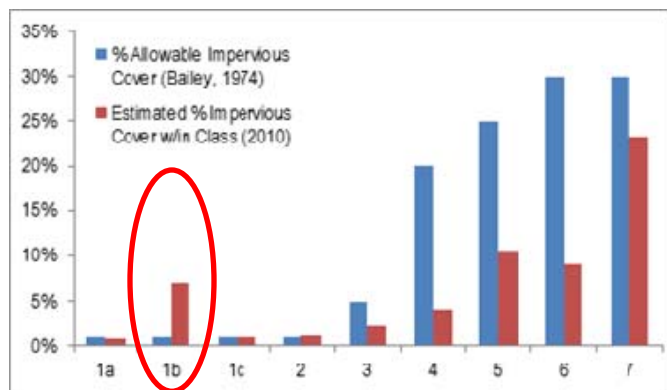
Water Quality: Restoring Lake Tahoe’s exceptional water quality has always been a top priority for TRPA. Data indicates that after years of steady decline, Lake Tahoe’s average annual clarity has largely stabilized, albeit at levels about 28.5 feet below the threshold standard of 97.4 feet (1967-71 levels). Nearshore water quality is also a significant concern and a topic of active study.



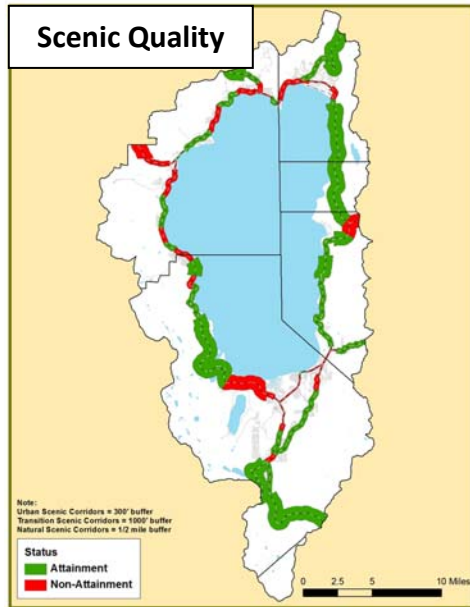
Science associated with the Lake Tahoe TMDL identifies the pollutants that are primarily responsible for water quality losses - fine sediment particles, nitrogen and phosphorus - as well as the major sources of those pollutants. The largest source categories are the urban uplands (developed areas and roads) and atmospheric deposition. Plan amendments focus on accelerating water quality improvement by incentivizing restoration and redevelopment activities, and by reducing air pollution.



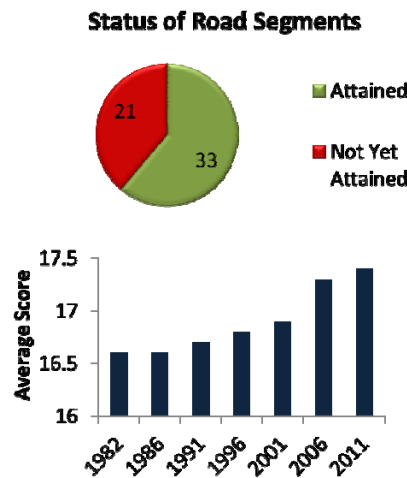
Sensitive Land Restoration: In conjunction with the broader goal of improved water quality, TRPA maintains strict Threshold Standards for land coverage, especially on sensitive lands. Data indicates that existing coverage on Class 1b Lands (primarily SEZs) is well in excess of the adopted Threshold Standard and coverage on other sensitive lands is near Threshold Standards. Development is generally prohibited in SEZs, but existing SEZ development includes 8,823 residential units, 3,210 tourist units and 1.8 million square feet of commercial space. An additional 9,584 residential and tourist units are located on other sensitive lands. Plan amendments focus on relocating more of this impactful development and restoring the natural function of SEZs and other sensitive lands.



Transportation: Automobile use strongly influences Threshold Standards in the Air Quality and Noise categories. Currently, both residents and visitors rely heavily on automobiles and light trucks for transportation. In much of the Region, transit service is infrequent and the fragmented bicycle and pedestrian network lacks continuity. Vehicular exhaust and noise have exceeded some Threshold Standards and negatively impacted other Standards. Plan amendments focus on improving air quality and reducing noise by transitioning to a more walkable development pattern and improving pedestrian, bicycle and transit facilities. Targeted amendments to air quality regulations are also made.



Scenic Quality: Scenic Threshold Standards are improving, but are not in attainment in many developed areas – primarily areas where development remains largely unchanged from the pre-1980 Regional Plan era. Plan amendments that focus on increasing the rate of redevelopment are expected to enhance scenic quality and improve scenic threshold attainment, along with other environmental qualities.



Plan Amendment Strategies:

Central strategies for the 2012 Regional Plan Update include:

- Maintain effective programs that have protected Lake Tahoe’s environment, including the regional growth control system, strict environmental standards and inter-agency implementation and scientific study partnerships like the EIP.
- Accelerate Threshold gain with targeted amendments to promote sensitive land restoration, support environmental redevelopment, and increase the availability of multi-modal transportation facilities.
- Improve the planning and permitting process to support increased private investment in needed environmental improvements and increase TRPA’s focus on regional priorities.

Pages 7 through 37 of this Staff Summary outline the proposed changes to the Goals and Policies and Code of Ordinances that implement the plan amendment strategies, organized in nine topic areas. Each topic discussion includes an overview of specific amendment strategies, a summary of public input, and an explanation of changes that were made in response to public input. A more detailed summary of public comments in each topic area and a response to those comments is provided in Exhibit D.

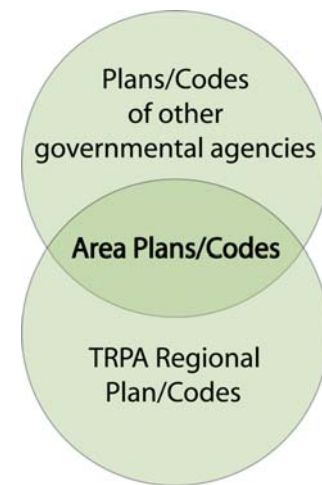
Topic areas include:

1. Planning and Permitting using Area Plans
2. Development Allocations and Transfers
3. Community Character
4. Recreation Areas and Uses
5. Land Coverage
6. Transportation
7. Water Quality
8. Air Quality
9. Noise Control

Topic #1 – Planning and Permitting using Area Plans: Throughout the plan update process, a regular theme of public comments involved concerns about TRPA’s planning and permitting system. Because necessary environmental gains are delivered through project implementation, commenters raised concerns about impediments to project processing and approvals, including the high cost of permitting, the lack of predictable timelines, the complexity of regulations, inconsistencies between regional and local requirements, and uncertain outcomes for development proposals.

The Final Draft Plan responds to these concerns by establishing a streamlined Area Planning system for communities and land management agencies in the Lake Tahoe Region. Area Plans would serve as a single land use plan for specific geographic areas and would be a component of both the Regional Plan and the Plans for other Agencies. The Area Planning process is intended to provide the following benefits:

- Focus TRPA on regional priorities more than parcel-level permitting activities;
- Establish a more responsive and flexible regional framework for community planning in the Tahoe Region;
- Eliminate inconsistencies between the Regional Plan and the plans of other Agencies; and
- Reduce duplicative permitting requirements.



Area Plans would outline land use allowances and development standards. Area Plans may also establish protective standards that replace region-wide standards, including tailored area-wide coverage and Best Management Practices (“BMP”) programs for water quality. Local, State and Federal Agencies are authorized to be “Lead Agencies” guiding the development of Area Plans.

All Area Plan provisions are required to conform to the Regional Goal and Policy Plan, Thresholds and the Compact. Once Area Plans are adopted and become part of the Regional Plan, approval of additional development activities could be delegated to other governments, with appeal provisions to TRPA for contested projects.

To ensure that Area Plans and any development authorized by Area Plans are consistent with the Regional Plan, approval and oversight procedures are established for Area Plans. Key procedures include:

1. Plan Initiation: The Area Planning system is voluntary – Local, State and Federal Agencies would provide statements of intent to develop Area Plan(s) by December 31, 2013. The TRPA Governing Board may initiate Area Plans starting in 2014 for areas that are not covered by a Local, State or Federal Area Plan (See Policy LU-4.5; Code Section 13.4).
2. Plan Development and Approval Procedures: Compared with the existing system for Community Plans, Area Plans are subject to more flexible procedural requirements and more specific approval criteria. Procedurally, the Final Draft Plan requires that “At a minimum, Area Plans shall be prepared in coordination with local residents, stakeholders, public agencies with jurisdictional authority within the proposed Area Plan boundaries, and TRPA staff.” The Plan also requires a sequential plan review and approval process that includes:
 - Applicable Local/State/Federal Government approval;
 - Advisory Planning Commission recommendation; then
 - Final approval of the TRPA Governing Board. (See Policy LU-4.7; Code Section 13.6).

Approval requirements for Area Plans include the standard Chapter 4 “Threshold Findings” for all Regional Plan and Code amendments plus a list of additional review standards that must be met (See Policy LU-4.8 through LU-4.10 and Code Section 13.6.5).

3. Procedures to Address Regional Plan Amendments: If TRPA is considering a plan or code amendment that would affect Area Plans, the following is required (Code Section 13.6.7):
 - TRPA provides lead agencies with reasonable notice of pending amendments and Area plan topics that may require amendment to maintain conformance.
 - After approval of a plan or code amendment, Area Plans must be updated within one year to reflect the regional plan/code amendment. The scope of this review is limited to conformity of the amended provisions to the updated Regional Plan.
4. Projects Requiring TRPA Approval: Following approval of Area Plans, review of many development activities could be delegated to Lead Agencies through Memoranda of Understanding (MOU). Projects that are not eligible to be delegated are outlined in Code Section 13.7.3 and include:
 - Projects in the High Density Tourist Districts, Resort Recreation District, Conservation District or Shorezone that are not already exempted from review by the Governing Board or Hearings Officer under Code Section 2.2.2; and
 - Projects that exceed the building floor area increases that are specified in the following table:

	Regional Center	Town Center	Not in Center
Residential	≥ 100,000 sq. ft.	≥ 50,000 sq. ft.	≥ 25,000 sq. ft.
Non-residential	≥ 80,000 sq. ft.	≥ 40,000 sq. ft.	≥ 12,500 sq. ft.

5. Project Appeals: When project review authority is delegated to Lead Agencies, all project approvals would be subject to appeal to the TRPA Governing Board (Code Section 13.9). The appeal process includes the following key provisions:
 - Basis for Appeal: Appeals are limited to disputes over conformance with the Regional Plan, including the applicable Area Plan, applicable code provisions and the Compact;
 - Exhaustion: Appellants must exhaust administrative remedies with the Lead Agency before filing an appeal to TRPA;
 - Timelines: The total appeal process would last approximately 120 days, including 15 days for appellants to file, 60 days for a staff recommendation and approximately 45 days for up to two Governing Board hearings; and
 - Fee limitations: The total appeal fee may not exceed \$2,000 (\$1,000 to TRPA and \$1,000 to the Lead Agency).

6. Procedures to Verify Ongoing Conformance with the Regional Plan: The Draft Regional Plan establishes a detailed monitoring, review and certification process for Area Plans (Code Section 13.8) with the following key provisions:
 - Notification: Lead Agencies include TRPA in all public notifications of public hearings for development within an Area Plan when public hearings are required;
 - Monitoring: On a quarterly basis, Lead Agencies send TRPA information from building permits that were issued, including coverage, residential units, commercial floor area, and tourist accommodation units.
 - Annual Review: On an annual basis, TRPA reviews a sample of permits that were issued under each Area Plan to independently verify compliance with the Area Plan.
 - Four-Year Review: Every four years, area plans would be reviewed for conformance with Load Reduction Plans that are required under the Lake Tahoe TMDL.
 - Certification: Based on the review of permits, TRPA annually certifies that permits are being issued in accordance with the Area Plan; and every four years, TRPA certifies that Area Plans conform to applicable TMDL Load Reduction Plans. If discrepancies are found, a process of consultation with the lead agency, conditional certification and revocation of permitting authority is outlined.

Regional Plan Maintenance:

Many stakeholders have raised concerns that the existing Regional Planning system is excessively cumbersome and unresponsive to changing conditions. Amendments that could have modernized and improved the Regional Plan have been deferred, sometimes indefinitely, because of procedural complexities and more focused attention on particular projects. Many dated components of the 1987 Regional Plan remain in effect today - more than 25 years after its initial adoption.



The Regional Plan Update

improves the long term planning process by establishing a regular 4-year plan evaluation and update cycle. The new “adaptive management” process would allow TRPA to more effectively evaluate and respond to changing conditions and new scientific research.

Public Input, Environmental Analysis, and Changes in the Final Draft:

Most Agency and public comments related to the Planning Process and Area Plans involved the TRPA oversight system for Area Plans and delegated permitting.

The April Draft Plan included provisions that would have *exempted* additional activities from TRPA review - without appeal processes - if Area Plans included provisions to ensure that development activities would not have a substantial impact on resources in the Region. Importantly, the Final Draft Plan includes modifications endorsed by the Board since the April Draft Plan providing for *delegated* project review, with appeal provisions.

Detailed comments on the April Draft Plan focused on having more TRPA oversight of project permitting as a safeguard, the extent that permitting activities could be properly exempted from TRPA review and on opportunities to appeal local government decisions to TRPA. Many stakeholders supported more prescriptive procedural guidelines with increased TRPA

involvement and oversight, while other stakeholders supported TRPA taking on a more regional role with increased entrustment of site-specific permitting decisions to other public agencies.

Generally, business interests, local governments, and state and federal land management agencies supported entrusting more permitting authority to other public agencies, citing improved processes, socioeconomic benefits, and protections integrated into the Area Plan process. In contrast, environmental interests and state/federal environmental agencies generally opposed increased permitting exemptions, citing a need for TRPA to be the arbitrator on decisions that could impact the environment, along with language in the Compact calling for TRPA review of all activities that “may substantially affect the land, water, air, space or any other natural resources of the region.”

The EIS did not identify any potentially significant impacts related to Area Plans. Mitigation is not required.

The Final Draft Plan includes a robust but predictable project appeal process to address public concerns, along with a reduction in the size of projects that would be eligible for delegated permitting.

Specific comments on this topic are summarized in Exhibit D, along with responses to those comments.

Topic #2 - Development Allocations and Transfers: Both the April Draft Plan and Final Draft Plan maintain the fundamental growth controls of the 1987 Regional Plan and make refinements to accelerate threshold attainment. Sensitive land restoration and environmental redevelopment are important land use strategies to achieve Threshold Standards that are out of attainment, including water quality thresholds. The proposed amendments in the Final Draft Plan would reload certain commodities, establish restrictions for future releases of each commodity type, expand the transfer program to provide a more meaningful incentive for environmentally beneficial development transfers, provide on-site land use conversion opportunities, and limit the size of transferred tourist units.

Exhibit E includes maps and statistics that show the amount and location of existing development in the Region, along with unused development allocations that are currently available within each jurisdiction. The extent of existing development in the Region’s sensitive lands is summarized in the table below (See Exhibit E for more detailed information).

EXISTING DEVELOPMENT ON SENSITIVE LANDS			
	Stream Environment Zone (District 1b)	Other Sensitive Lands (Districts 1a, 1c, 2 & 3)	Total Development on Sensitive Land
Residential (ERU)	8,823 units	8,577 units	17,400 units
Tourist (TAU)	3,210 units	1,007 units	4,217 units
Commercial (CFA)	1,817,861 sf	804,782 sf	2,622,643 sf

Since its inception, the Regional Plan has included measures to prevent development in Stream Environment Zones (SEZs) and to relocate existing SEZ development. Progress has been slower than desired and only a small percentage of existing SEZ development has been relocated. To accelerate restoration, the Draft Plan expands programs for the restoration of SEZs and other sensitive lands.

Growth Management Framework: Important components of the existing (and continuing) TRPA growth control system are outlined in Code Chapters 39 through 53 and are summarized below:

- Subdivisions that would create new development potential are prohibited.
- Parcels that legally existed prior to July 1, 1987 were either assigned one residential development right (which may or may not be constructed on site) or were authorized for non-residential development.
- In order to construct a residential unit, tourist unit or commercial space, development allocations must be obtained. Allocations are released slowly through a complicated system that requires various forms of environmental improvement in exchange for development allocations. Maximum build out of the Region is established with caps for all land use commodities (i.e., residential units (residential development rights and allocations), commercial floor area (CFA), and tourist accommodation units (TAUs)).
- TRPA permits the phased construction of development over many years by slowly releasing non-residential and residential development allocations.
- The Individual Parcel Evaluation System (IPES) is used to determine development suitability on single family parcels. Many vacant parcels with development rights were initially unbuildable under IPES. As environmental improvements are implemented, the “IPES line” for each jurisdiction drops and more sensitive parcels become buildable. In all jurisdictions except Placer County, the IPES line has dropped to a point of allowing development on all single family lots with a development right except in Stream Environment Zones.
- A development transfer program encourages the relocation of existing development and development rights from sensitive areas to properties that are more suitable for development. Development rights on the most sensitive properties may only be used if transferred to more suitable sites.
- Multi-Residential and Tourist Accommodation Bonus Units are awarded to projects as an incentive to achieve certain desired policy results (e.g., affordable housing or environmental improvements).
- Recreational capacity is limited by the “Persons At One Time (PAOT)” system.

Additionally, strict environmental standards are in place for all development activities (Code Chapters 60-68). Environmental standards protect water quality, vegetation, wildlife, fish, air quality, scenic quality and historic resources, as well as restricting noise levels.

Overall, the growth control system limits the Region’s capacity for development and the environmental standards require that direct and indirect impacts from the limited development that is allowed be avoided or mitigated. Amendments in the Final Draft Plan are targeted to

specific issues and do not alter the comprehensive foundations of the growth management framework.

Development Allocation Limits and Release Systems (Code Chapters 50, 52 and 53): The Final Draft Plan does not increase the total number of residential development rights that are available in the Region. As a result, single family “buildout” continues to be defined by the number of existing residences plus remaining development rights. Development rights associated with unbuildable lots can only be used if transferred to another parcel and will likely be built as multi-family units. Currently, single family development is over 90% built-out with approximately 47,392 existing residential units and approximately 4,243 unused residential development rights. Since 1987, public acquisitions of privately owned parcels have reduced buildout potential by approximately 8,360 units.

Similarly, the Final Draft Plan does not modify the IPES program or create additional PAOTs. Amendments to environmental standards are limited to targeted refinements and are addressed below for each topic.

Residential allocations are used as the phasing mechanism for the realization of unused residential development rights. To maintain compliance with legal rulings, allocations should be distributed for the approximately 4,243 remaining development rights at some time unless those rights are purchased and retired. Phasing could extend for decades.

CFA is also restricted and may only be utilized in certain areas. Currently, CFA is distributed to local governments (for certain plan areas) and projects based on need and environmental improvements.

TAUs are limited to existing tourist units. New tourist units can only be created by redeveloping/relocating existing units or by making environmental improvements that are necessary in order to receive Tourist Bonus Units.

Multi-Residential Bonus Units are currently awarded to qualifying affordable housing projects and other projects that make specified environmental improvements.

Residential and non-residential development allocations have not been “reloaded” since 1987. The following table shows the disposition of the allocations that were authorized in 1987 and new allocations to be authorized in the Draft Plan.

TABLE 50.4.1-1: ALLOCATION AND DEVELOPMENT RIGHTS ACCOUNTING			
ALLOCATIONS/ DEVELOPMENT RIGHTS	USED 1987-2012	REMAINING FROM 1987 PLAN¹	2013 ADDITIONS
Residential Allocations	5,973	114	2600
Residential Bonus Units	526	874	600²
Tourist Bonus Units	58	342	0

Commercial Floor Area (Total) (square feet)	416,421	383,579	200,000³
<i>Placer County</i>	<i>128,623</i>	<i>72,609</i>	
<i>Washoe County</i>	<i>87,906</i>	<i>2,000</i>	
<i>Douglas County</i>	<i>45,300</i>	<i>36,250</i>	
<i>El Dorado County</i>	<i>15,250</i>	<i>36,150</i>	
<i>City of South Lake Tahoe</i>	<i>77,042</i>	<i>52,986</i>	
<i>TRPA Special Project and CEP Pool</i>	<i>62,300</i>	<i>183,584</i>	

Note 1: 158,816 sq. ft. of Commercial Floor Area, 245 Residential Bonus Units and 90 Tourist Bonus Units have been reserved or allocated to projects (e.g., Community Enhancement Projects) that have not been permitted or permitted but not built are accounted for in the “Remaining from 1987 Plan” column. The 114 remaining residential allocations were distributed to local governments in 2011 and 2012, but have not been built.

Note 2: 600 Residential Bonus Units shall be used only in Centers.

Note 3: 200,000 sf of CFA shall only be made available after the 383,579 sf of remaining CFA is exhausted.

The Final Draft Regional Plan also outlines provisions for the phased release and distribution of allocations:

- The 600 new Residential Bonus Units shall be used only in Centers.
- The 200,000 sf of new CFA shall only be made available after the 383,579 sf of remaining CFA is exhausted.
- All allocations shall be released in increments every four years, not to exceed 20% of the “2013 Additions”, and only in compliance with adopted standards for roadway Levels of Service and Vehicle Miles Travelled.
- In 2013, no new CFA and up to 130 residential allocations may be released in accordance with the existing performance system.
- Prior to 2014, the performance system for release of allocations shall be reviewed and updated.

Development Transfer Program (Code Chapter 51): TRPA’s development transfer program complements the Region’s strict growth controls by encouraging the relocation of existing development and development rights from sensitive areas to properties that are more suitable for development.

Development transfers under the current Regional Plan generally occur at a 1:1 ratio (meaning one unit may be constructed for every unit that is removed). In some circumstances, which generally relate to sensitive land restoration, bonus units are awarded resulting in a transfer ratio greater than 1:1. There is a complex scoring system to determine an award of bonus units for a qualifying project. Additionally, there are numerous sending and receiving area restrictions for transfers. There is no opportunity for CFA to be transferred from sensitive lands at a rate that exceeds 1:1, except for limited transfers into “preferred industrial areas.” Transfer ratios for preferred industrial areas do not vary based on sensitivity of the sending parcel.

The existing Regional Plan also has provisions for conversions of use (Code Sec 50.10). Under this program, existing residential and tourist units can be converted to residential, tourist or commercial uses when certain criteria are met. Requirements to convert uses include restoration of a sensitive sending parcel, removal of a non-conforming use, implementation of an Environmental Improvement Project, or provision of deed restricted affordable housing.

Development transfers and conversions under the existing Plan are infrequently utilized. Public input and research indicates that the slow utilization rate is likely due to the limited incentives, strict requirements and the complexity of existing transfer provisions. Overall, the transfer program has not been financially feasible for many property owners. The slow transfer utilization rate has contributed to TRPA's restoration targets for Stream Environment Zones not being met.

The April Draft Plan established and the Final Draft Plan retains a new opportunity for development transfers to designated Centers - Town Centers, Regional Center and the High Density Tourist District (Code Sections 51.3 and 51.5). The program authorizes transfer ratios that vary based on the sensitivity and location of the sending parcel. The provisions provide incentives to restore sensitive lands and to relocate development from auto-dependent outlying areas to walkable Town Centers that can readily be serviced by transit. Significant differences between the current and new transfer programs include:

- The new program applies only to transfers into defined Centers with the goals of reducing automobile dependency, promoting environmental redevelopment and encouraging restoration of sensitive lands. Existing transfer provisions would continue to be available for transfers outside defined Centers.
- Environmentally beneficial transfers are eligible for transfer ratios that exceed 1:1 to incentivize restoration and better reflect the environmental benefits of each transfer.
- The new program applies to all use types to incentivize the restoration of sensitive lands that are not eligible for incentives in the current program, such as existing commercial businesses in Stream Environment Zones.
- Through the Area Planning process, alternative transfer ratios can be established to more aggressively incentivize transfers of development from two designated "Stream Restoration Plan Areas" as long as the alternative ratios are shown to be environmentally beneficial.
- The program is much less complex and has fewer restrictions to encourage its utilization and accelerate threshold attainment.

The Final Draft Regional Plan also modifies conversion of use provisions (Code Section 50.10) to provide a pilot program for on-site conversions existing tourist units to multi-family units not exceeding 1,250 square feet in size. No more than 200 units may be converted under the pilot program. The amendment would provide an additional incentive for redevelopment projects needed to revitalize dated development with up to date environmental improvements.

Size Limits for Transferred Tourist Accommodation Units (TAUs): The existing Plan does not directly restrict the size of expanded or transferred Residential or Tourist Units. Instead, expansions are limited by development regulations such as height and coverage. In contrast,

CFA is regulated by floor area. Tourist unit sizes have increased significantly for most of the projects that have utilized transfer provisions. Some residents have raised concerns that the larger tourist units negatively impact community character.

The Final Draft Regional Plan establishes maximum size limits for transferred TAUs. Units transferred to projects with specified guest amenities are limited to 1,200 square feet for 80% of transferred units and 1,800 square feet for no more than 20% of units. Units transferred to projects without guest amenities are limited to 850 square feet. The amendment is intended to place an outer limit on the expansion of TAUs, while maintaining a financial incentive for property owners to redevelop or relocate tourist accommodations. Larger sizes for transferred TAUs would require more than one sending unit, which would discourage the conversion of existing TAUs into larger residential style tourist units through the transfer program. Most of the Region's existing tourist units do not comply with modern environmental standards and many (over 3,000 units) are located in Stream Environment Zones.

Public Input, Environmental Analysis, and Changes in the Final Draft:

This issue category was addressed in many comment letters. Agency and public comments focused on the appropriate amount of new development, details of the allocation release system, whether the modified transfer ratios would meaningfully incentivize restoration and redevelopment, and appropriate size limits for transferred TAUs.

Comments from environmental interests focused on limiting the number of new commodities as an important element of continued growth and development constraints. Comments from business interests and some local governments expressed a desire for additional commodities, citing the dated and deteriorating condition of existing development, and the need for increased economic activity, redevelopment incentives and jobs.

Additionally, for all allocation release levels that were evaluated, the EIS identified potentially significant impacts to vehicle miles travelled (VMT) and roadway levels of service (LOS). Mitigation measures would release allocations in four-year increments while implementing alternative transportation programs; and provide for allocation reductions and/or roadway improvements as necessary to maintain compliance with adopted standards. No other potentially significant impacts were identified.

The Final Draft Plan includes development allocation and transfer provisions from the Draft Plan (Alternative 3), with additional limitations. Overall, amendments authorize a reduced rate of development compared with the 1987 Plan, along with strong incentives for redevelopment. Important provisions include:

- Authorize 2,600 new residential allocations, 600 new residential bonus units (for use only in Centers), 200,000 sf of new CFA (released only after existing supplies are used) and no new TAUs;
- Maintain the development transfer ratios in the Draft Plan, limit opportunities for alternative ratios, and review the efficacy of the ratios following plan adoption;
- Further limit the size of transferred TAUs and add other provisions; and

- Establish a pilot program for on-site conversion of TAUs to Residential Units.

Specific comments on this topic are summarized in Exhibit D, along with responses to those comments.

Topic #3 – Community Character: As part of the larger strategy to promote revitalization and redevelopment of the Region’s built environment and to reduce automobile reliance, the Final Draft Regional Plan increases allowable development concentration in designated Centers. The targeted increases would provide capacity for development transfers from outlying and sensitive property and would incentivize redevelopment at a scale that is compatible with existing development patterns and community character. More concentrated development is only permitted within Centers that are identified in a Conforming Area Plan that promotes threshold attainment and addresses other requirements. To leverage available public funding, the Final Draft Plan also provides additional policy support for development right and sensitive land acquisition programs.

Environmental redevelopment, reduced automobile travel, and additional development transfers are all intended to accelerate threshold attainment, especially in Water Quality, Air Quality, Scenic Quality and Soils/SEZ categories.

Under the existing Plan, development intensity is limited primarily by height restrictions, coverage requirements, density limits and on-site parking standards. In combination, existing requirements often require that property owners reduce existing development on a site in order to gain approval for a redevelopment project, even if the project would generate environmental improvement compared to existing conditions. Additionally, redevelopment is required to “mitigate” excess coverage only when redevelopments or other improvements are proposed. As a result, many property owners report that redevelopment is not financially feasible under the existing Regional Plan and have decided to leave existing (non-conforming and environmentally impactful) development in place.

TMDL studies have shown that the existing developed area (urban upland) contributes 72% of the fine sediment particles that are impairing Lake Tahoe’s water quality. The urban upland area is also responsible for other major pollution types, including 38% of phosphorus and 16% of nitrogen. The roadway component of the urban upland is currently being retrofitted for water quality treatment, primarily with public funding, through the Environmental Improvement Program. In contrast, redevelopment of private lands (especially non-residential property in Centers) and associated environmental improvements are occurring very slowly, in part because of the existing regulatory barriers. The Final Draft Plan seeks to address barriers to redevelopment, while maintaining an appropriate scale and character of development in the Region’s communities.

Modifying standards for concentrated development in Centers also supports a more effective development transfer program. Without capacity increases in Centers or elsewhere, it will be difficult to accelerate transfers of development off of sensitive parcels because eligible receiving sites do not have adequate capacity to accommodate much of the development that

is currently located on sensitive lands. The lack of receiving areas with capacity for relocated development has been cited by many property owners as a major impediment to environmentally beneficial development transfers.

As noted on page 11 above, existing development on sensitive lands includes over 17,000 residential units, over 4,000 tourist units and over 2.6 million square feet of commercial space (See Exhibit E for more detailed information). Stream Environment Zones and other sensitive areas were already developed prior to adoption of the 1987 Plan and most of that development remains in place. Some sensitive land development can be acquired with public financing, but funding levels are declining and new sources are needed in order to meet the Region's restoration targets. Relocation of impactful private development would restore sensitive lands without public funding, but receiving areas with unused capacity for development transfers will be needed. The Final Draft Plan identifies the Region's developed Centers as the most appropriate receiving area for relocated development.

Location of Centers:

The Final Draft Plan establishes three levels of Centers with development standards that generally reflect the intensity of existing and recently approved development in each area.

The High Density Tourist District (HDTD) is the highest intensity land use district. The HDTD includes and is limited to the four high-rise hotel casino properties at South Stateline, NV.

The Regional Center is the next level of Center. The Regional Center includes the six-story projects that have recently been built in South Stateline, CA, along with adjoining property that was heavily developed prior to the 1987 Plan. The Regional Center extends from the Nevada State line to Ski Run Blvd. in California. The Regional Center includes and supersedes the South Lake Tahoe Redevelopment District and existing special height districts.

Town Centers are designated in the commercial core of communities around the Region: Kings Beach, Tahoe City, Incline Village, North Stateline, Lower Kingsbury, Meyers, the South Lake Tahoe "Y", the Bijou / Al Tahoe area, and in transitional areas adjoining the Regional Center.

Initial boundaries for the Town Centers generally reflect the boundaries of the existing Community Plans for each area. Existing land use designations within the Centers are "Tourist", which the Draft Plan does not modify, and/or "Commercial", which the Draft Plan changes to "Mixed Use" to promote pedestrian and transit oriented development. Boundary modifications for Centers and land use modifications within Centers may be proposed in the applicable Area Plans, in accordance with the standards and limitations in the Regional Plan and Code.

In total, designated Centers include approximately 4.4% of the Region's private land. Private lands are approximately 10% of the total land area of the Tahoe Region. Center locations and initial boundaries are shown on Exhibit E.

Because designated Centers are afforded a variety of redevelopment incentives that are not available in other portions of the Region, the Final Draft Plan establishes criteria to be applied in the event of future proposals for expansion of Centers. Any proposed addition to a designated Center must be less than ¼ mile from existing Commercial or Public Service uses, must encourage and facilitate the use of transit systems and must either be developed or be surrounded on at least three sides with developed parcels (Code Section 13.5.3.E).

Building Height and Density Standards:

TRPA currently has region-wide building height standards that apply to all land use districts, along with numerous opportunities for “Additional Building Height” for specified land uses and/or in specified locations.

Region-wide height standards are specified in Code Section 37.4.1 (Maximum Height for Buildings). This section generally limits buildings to two (above-grade) stories based on a table with maximum heights between 24 and 42 feet from the lowest point to the highest point, depending on the roof pitch and ground slope.

Additional Height allowances (Code Section 37.5) are currently available for certain land uses and situations, including:

- Additional Height for Certain Public Service Buildings;
- Additional Height for Certain Tourist Accommodations;
- Additional Height for Certain Recreation Buildings;
- Additional Height in the South Lake Tahoe Redevelopment District;
- Additional Height for Reduced Land Coverage;
- Additional Height for View Enhancement;
- Additional Height for Increased Setbacks;
- Additional Height for Landscaped Public Pedestrian Area in certain special height districts;
- Additional Height for Public Access to Lake Tahoe;
- Additional Height for Tree Preservation;
- Additional Height for Affordable Housing; and
- Additional Height in specified locations in the North Stateline Community Plan.

Section 31.3.2 outlines maximum density standards for different use types. Generally, maximum density is 15 units per acre for multi-family dwellings and tourist units with kitchens, 25 units per acre for residential care facilities and 40 units per acre for tourist units. Densities may be increased for affordable housing projects and development in special height districts.

The Final Draft Plan modifies building height and density standards in designated Centers to provide a more uniform framework that supports development transfers and environmental redevelopment at a scale and character that is compatible with each area. Increases in building height and density standards can only occur through Conforming Area Plans that address threshold findings and other approval standards.

Maximum building heights in Centers would be:

- 197 feet in the High Density Tourist District, which reflects the existing height of two hotel casino towers in the district. Height increases are limited to the replacement of existing buildings at least 8 stories or 85 feet in height, subject to scenic quality threshold findings, including that proposed buildings do not increase the visual prominence of buildings over current conditions.
- 6 stories (95 feet) in the Regional Center, which matches existing special height districts in portions of the Center. Height increases are subject to a series of findings related to viewshed protection and screening.
- 4 stories (56 feet) in Town Centers, which reflects existing height districts and community enhancement projects within several Town Centers. Height increases are subject to a series of findings related to viewshed protection and screening.

Many of the Region’s existing taller buildings would continue to exceed maximum height standards and would continue to be treated as existing non-conforming development.

The Final Draft Plan modifies maximum density standards in Centers to be:

- 25 units per acre for residential (increased from 15 units/acre for multi-residential and unchanged for residential care)
- 40 units per acre for tourist (increased from 15 units/acre for units with kitchens and unchanged for standard units)

Community Design and Roadway Level of Service Standards:

The Final Draft Plan modifies community design and roadway level of service standards to support the policy focus on concentrating development in walkable community centers.

In order for an Area Plan to be approved, a list of community design standards must be adhered to (Code Section 13.5.3.D). Standards address community and site design, building height, building design, landscaping, lighting and signing. In Centers, the standards require pedestrian oriented plans with capacity for more concentrated development in core areas, lower intensity transition areas and strong attention to building design and community aesthetics. Outside Centers, existing design standards generally prevail.

The Final Draft Plan also provides an exception to roadway level of service standards when multi-modal facilities and services are provided (Policy T-10.7). This provision allows developments to utilize and proportionally fund sidewalks, trails and transit service as alternatives to roadway expansion. In practice, recent projects have received exceptions to level of service standards through an “overriding consideration” finding. The modified plan provisions are intended to make this opportunity more predictable and consistent.

Public Input, Environmental Analysis, and Changes in the Final Draft:

This issue category was addressed in many comment letters. The majority of agency and public comments focused on the intensity of development within Town Centers, the Regional Center and the High Density Tourist District; and on the localities designated as Centers. Some reviewers supported increasing land use intensities in Centers, primarily to make

redevelopment more financially feasible. Others opposed increasing land use intensities due to concerns about scenic impacts, traffic and/or community character.

The EIS identified beneficial land use and scenic impacts related to revitalized Centers and more compact development patterns. The EIS also identified potentially significant scenic impacts related to increasing building heights in Centers. Scenic mitigation measures would require no net increase in visual prominence for projects in the High Density Tourist District and additional height findings for projects in Regional and Town Centers.

The Final Draft Plan includes modifications that:

- Codify proposed EIS mitigations;
- Limit opportunities for increased building height in the High Density Tourist District (supplementing the mitigation measures);
- Establish additional requirements for the location of Centers and development in Centers;
- Outline additional requirements for Level of Service exceptions; and
- Provide additional policy support for sensitive land and development right acquisition programs.

Specific comments on this topic are summarized in Exhibit D, along with responses to those comments.

Topic #4 – Recreation Areas and Uses:

The Final Draft Regional Plan retains most recreation policies and programs from the 1987 Plan, while making targeted amendments to support the Region’s transition from a gaming-based economy to a recreation-based economy, to reduce travel distances between recreation destinations and lodging/housing areas, and to improve recreational amenities near major tourist destinations.

The Final Draft Plan creates a new “Resort Recreation” designation for 250 acres of land adjacent to the High Density Tourist District and 57 acres of land at the base of Heavenly Mountain Resort on Ski Run Blvd. In the Resort Recreation district, limited allowances for tourist, commercial and residential uses are provided in conjunction with recreation uses. Any development is required to be identified in a Conforming Area Plan and only be the result of development transfers that result in the retirement of existing development. Subdivisions are limited to air space condominiums (Code Section 13.5.3.C.3).

The Final Draft Regional Plan also expands the Recreation District to include the 479 acre Van Sickle State Park. 45,208 acres of property (22.4% of the Region) are currently designated Recreation.

The new Recreation and Resort Recreation areas are depicted on Exhibit F.

Public Input and Changes in the Final Draft:

The Bi-State Recommendation proposed the Resort Recreation district as a tool to substantially reduce new development allowances for the Recreation District that were included in the April Draft Plan. The earlier proposal was the subject of extensive public concern and a Draft EIS finding of a potentially-significant impact.

In the April Draft, tourist, commercial and residential uses would have been allowed in any Recreation area. Approvals would have been required to meet threshold findings and general approval requirements for Area Plans or Master Plans, but would not have been subject to additional restrictions or approval requirements.

The majority of agency and public comments focused on concerns about potentially-widespread development and harmful environmental effects in Recreation Areas. Some comments supported the amendment, noting that environmental improvement would be required and the Region's ski areas would benefit from locating on-slope lodging and housing close to recreation sites.

The EIS identified potentially significant impacts related to the possibility for development in many areas that are not currently planned for development. Mitigation measures would have required that new development in the Recreation District be compatible with Recreation District uses, not induce substantial growth (either directly or indirectly), and not conflict with any environmental policy or regulation. Mitigation specific to each plan would have been required.

Most comments that were received on Recreation areas and uses are directly addressed with changes in the Final Draft, including:

- Eliminating the new land use allowances in the Recreation District;
- Creating a new "Resort Recreation" designation with limited allowances for Tourist, Commercial and Residential uses and additional development restrictions;
- Designating the Heavenly Cal-Base and the Edgewood Mountain Property "Resort Recreation"; and
- Requiring that any development in the Resort Recreation District be identified in a Conforming Area Plan and only be the result of development transfers that result in the retirement of existing development.

The Draft mitigation measure that had been proposed is also addressed by the new requirements and is no longer necessary.

Specific comments on this topic are summarized in Exhibit D, along with responses to those comments.

Topic #5 – Land Coverage:

Land coverage regulations are a critical component of TRPA's growth control system. Under the "Bailey" Land Capability System, properties are granted allowances for between 1% and 30% land coverage, depending on the land's environmental sensitivity. The amount of coverage allowed in the Region is capped by these "base allowable land coverage" limits.

Coverage has been estimated regionally on a number of occasions using best available information at the time. Existing coverage on individual parcels has been determined through field verifications. To improve the Region's understanding of existing conditions at the regional scale, TRPA commissioned a LiDAR remote sensing project to more accurately estimate total existing coverage. Results of the most recent LiDAR analysis indicate that existing coverage exceeds "Bailey" limits in Class 1b, and may also exceed limits in Class 2 (by an estimated 43 acres). The potential margin of uncertainty for the Class 2 estimate makes the attainment status uncertain, but it has been conservatively reported as "non-attainment" in the 2011 Threshold Evaluation based on the most recent LiDAR analysis. This information reinforces the need to accelerate the removal of coverage from all sensitive lands. The LiDAR analysis is explained in greater detail in the Final Draft Threshold Evaluation and the FEIS.

The Final Draft Plan retains the established land capability system with several targeted amendments. The amendments are intended to accelerate attainment of the soils, water quality and other thresholds by encouraging the use of less impactful types of coverage, incentivizing the installation of water quality BMPs, promoting coverage reductions and relocation of coverage to less sensitive lands, and facilitating environmentally beneficial redevelopment. The proposed coverage amendments can be grouped into the following topics, each of which is discussed in more detail below: 1) maximum allowable coverage in community centers, 2) transfers of coverage, 3) excess coverage mitigation, 4) coverage exemptions, 5) and area-wide coverage management.

Maximum allowable coverage in community centers: The existing plan and code allow parcels within Community Plan Areas to transfer in coverage above the parcel's base allowable coverage. The transferred coverage must be removed from other parcels and be placed on high capability lands on the receiving parcel.

The existing provisions limit maximum allowable coverage to 70 percent of the high capability land within a parcel for new commercial development, and 50 percent of the high capability land for redevelopment projects and new tourist or multi-family development. These limitations provide an incentive to develop undisturbed sites rather than redevelop already disturbed sites, along with an added disincentive for redevelopment because many developed sites already contain more than the allowed 50 percent coverage.

In designated Centers, the Final Draft Plan modifies the maximum allowable coverage to be the same for developed and undeveloped sites. Within 300 feet of Lake Tahoe (exempting two small areas), maximum allowed coverage would be 50% of high capability land. Further than 300 feet from Lake Tahoe, maximum allowed coverage would be 70% of high capability land. The changes remove the disincentive for redevelopment while reducing coverage near Lake Tahoe's shoreline. Community Plan areas outside of Centers retain existing maximum coverage provisions.

All transferred coverage will continue to require water quality BMPs, and specific provisions will still apply to transfers for commercial and mixed-use projects, which require net coverage

reduction at increasing rates for coverage over 50%, or that the transferred coverage be moved from sensitive lands.

Transfers of coverage: The existing code allows coverage to be transferred between parcels in a limited number of situations including: to achieve the maximum allowable coverage within Community Plan Areas, to facilitate public service projects, and to facilitate residential development on some parcels under the IPES system. The existing code divides the Region into nine Hydrologically Related Areas (HRAs), and requires that the sending and receiving sites for all coverage transfers be within the same HRA.

The existing provision that limits transfers to within an HRA was eliminated in the April Draft Plan to accelerate coverage transfers. In response to public comments and the Bi-State Recommendation, the proposed changes were reversed and the topic was identified for later study. The Final Draft Plan, therefore, retains the current requirement that all coverage transfers be from within the same HRA.

Also under the existing code, coverage transfers for commercial or tourist accommodation uses must be from existing hard coverage. Transfers for other uses can also include soft coverage or potential (i.e. base allowable) coverage. The Draft Plan would also allow soft coverage to be transferred from Stream Environment Zones (SEZs) for use in any project within Centers, which would provide a greater incentive to remove soft coverage from the most sensitive lands.

Excess coverage mitigation: The existing code requires that projects on parcels with existing coverage in excess of the parcel's allowable coverage mitigate a portion of the excess coverage. The excess coverage can be mitigated through direct on-site removal of coverage, through direct removal of coverage on a different parcel within the same HRA, or through the payment of an excess coverage mitigation fee. The mitigation fees are provided to the designated land banks, which use the fees to remove or retire coverage within the same HRA where the fee was collected. Excess coverage mitigation is only required when projects are built.

In some HRAs, there is a very limited supply of coverage available from willing sellers. As a result, few projects perform direct off-site coverage removal. The limited supply of coverage also constrains the land banks use of the mitigation fees. Several HRAs have a backlog of unexpended mitigation fees because the land banks are unable to locate coverage for removal in those HRAs. The land banks are also not able to pool mitigation fees from multiple areas to target the highest priority coverage removal projects in the Region.

The Final Draft Plan would allow direct coverage removal by a project applicant and expenditure of excess coverage mitigation fees to occur anywhere in the Region. This change is expected to increase the number of projects that opt to perform direct coverage removal, and improve the efficiency and effectiveness of the land bank coverage removal programs.

The Final Draft Plan would also allow excess coverage to be removed in exchange for additional units of use, but only after excess coverage is mitigated (see Draft Code section 30.6.3). This

incentive would promote coverage removal in addition to that required under the excess coverage mitigation provisions.

Finally, the Final Draft Plan calls for a more comprehensive review of the Excess Coverage Mitigation Fee Program following adoption of the Regional Plan.

Coverage exemptions: The existing code applies coverage limitations equally to all types of coverage, regardless of the relative environmental impact or potential benefit of specific types of coverage. As a result, threshold-attainment projects, such as bike trails, are subject to the same coverage regulations as non-threshold-related uses of coverage, such as parking lots. Other types of coverage such as pervious surfaces that allow water to infiltrate and small areas of isolated temporary coverage on high capability lands have limited environmental impacts, but are subject to the same limitations as more impactful types of coverage.

As a result of the current coverage limitations, the implementation of public non-motorized trails that are intended as measures to attain and maintain thresholds is limited by the capacity to purchase a sufficient amount of coverage. Coverage acquisitions have added over \$500,000 per mile to the cost of some bike and pedestrian trail projects. In addition, property owners have no incentive to install less impactful types of coverage, because all types are treated the same as more impactful coverage.

The Final Draft Plan proposes several coverage exemptions or partial credits for properties that have a current BMP certificate. Changes would facilitate environmentally beneficial projects, encourage the use of less impactful types of coverage, and incentivize BMP installation. These exemptions include siting, size, and design restrictions to minimize any environmental impact from the exempted coverage and are described in Draft Code Section 30.4.6. The exemptions include:

- 100% exemption for non-motorized public trails identified in the Regional Bicycle and Pedestrian Plan, and associated trail connections;
- 25% credit for certain types of pervious pavement on high capability land;
- A “sliding scale” credit for pervious decks on high capability lands, up to a total exemption of 5% of a parcel or 750 square feet, whichever is less;
- 100% credit for small (< 120 sq. ft.) areas of temporary coverage on high capability lands.
- 100% credit for certain facilities required by the Americans with Disabilities Act on high capability lands.

Coverage exemption and credits require that the involved property have an active BMP Certificate and the total amount of exempted coverage for decks, temporary coverage and pervious pavement may not exceed 10% of any parcel.

Area-wide coverage management: The existing code applies coverage limitations to each individual parcel, except in limited cases where parcels can be combined for purposes of coverage calculations (see Code section 30.4.1.C.2.a). Applying coverage limitations at the parcel scale limits the design flexibility for redevelopment projects and provides no incentive to reduce coverage below the maximum amount allowable. Proposals for larger redevelopment

projects or multiple projects within a geographic area often seek to concentrate coverage within a particular area and preserve larger areas of open space. This concentration of coverage can help to facilitate multi-parcel stormwater management systems that can include more advanced treatment options and easier, less costly maintenance.

To incentivize coverage reductions and promote greater project design flexibility, the Final Draft Plan would allow Area Plans to delineate specific geographic areas where coverage would be managed comprehensively rather than at the parcel scale. In order to qualify for area-wide coverage management, the Area Plan would have to demonstrate that compared to parcel-by-parcel coverage management, the area-wide coverage management system would not increase coverage overall, in the most sensitive lands (districts 1 and 2), or within 300 feet of Lake Tahoe (Code Section 13.5.3.B.1).

Public Input, Environmental Analysis, and Changes in the Final Draft:

Many agency and public comments supported proposed coverage amendments in the April Draft Plan because they promoted coverage reductions and less impactful forms of coverage, and increased financial feasibility of bike trails. Other comments raised concerns that the amendments would increase total coverage and allow coverage to be concentrated in more impactful areas.

The EIS identified beneficial impacts related to accelerated coverage transfers, sensitive land restoration and alternative transportation, along with potentially significant water quality impacts related to the coverage exemptions and credits. Mitigation measures would establish additional design requirements and size limits for coverage exemptions and credits.

The Final Draft Plan includes modifications that:

- Codify proposed EIS mitigations;
- Continue to restrict coverage transfers to within an HRA, while allowing mitigation of excess coverage across HRA boundaries and initiating a detailed review of coverage transfers across HRAs;
- Create additional restrictions for coverage within 300 feet of Lake Tahoe; and
- Incorporate the Alternative 4 coverage exemption for retrofits necessary to comply with ADA requirements.

Specific comments on this topic are summarized in Exhibit D, along with responses to those comments.

Topic #6 – Transportation: Throughout the planning process, stakeholders have raised concerns that the existing Regional Plan prioritized the free flow of automobiles ahead of vehicle trip reduction, multimodal access, and associated environmental and air quality benefits. Stakeholders identified specific Code provisions that create significant obstacles to the construction of connected bicycle and pedestrian travel ways. The Final Draft Plan includes amendments to encourage bicycling, walking, and transit use, and to allow the transportation system to evolve in a way that supports compact redevelopment and reduces reliance on the

private automobile. The Final Draft Plan is further supported by transportation initiatives and projects identified in the Final Draft Regional Transportation Plan. Key policy and Code changes include:

1. Land Use Policies: Many land use amendments in the Final Draft Plan focus on reducing automobile dependency and promote walking, biking and transit use. Important transportation-related policy modifications include provisions to accelerate development transfers, provisions to increase allowable intensity in community centers and provisions requiring transit and pedestrian oriented designs for development projects. These items are addressed in Topics #2 through #5 above.
2. Bicycle Path Coverage Exemption: Under the Final Draft Plan, non-motorized public trails would be exempt from the calculation of land coverage, subject to certain siting and design requirements that minimize disturbance of sensitive lands and vegetation. This provision is addressed under Topic #5 (Land Coverage).
3. Accommodation of Bicycle and Pedestrian Facilities in Projects: All applicants for commercial, tourist, mixed-use, multi-family, public service, and recreation projects, including the construction, alteration, or improvement of roadways, on lands designated with bicycle and pedestrian network trail segments in the Bicycle and Pedestrian Plan would be required to grant an easement for the bicycle and pedestrian facilities in accordance with criteria that take into consideration the size and cost of the project (Code Section 65.3).

Additional provisions in this Code section minimize the impact to private property owners by stipulating that:

- TRPA, in reviewing project applications, shall have the discretion to adjust or waive site development standards (Chapters 30-39) to the minimum extent necessary to facilitate the efficient connection of new trails to existing and planned trail networks;
 - Neither the land coverage nor the site area required for the bicycle or pedestrian improvement shall reduce the total land coverage or development potential otherwise allowed for the project area;
 - All easement dedications imposed on approved applications shall be reasonably related to the anticipated impacts of the proposed development or land use and to the purposes of this section. Any condition imposed shall be roughly proportional to the anticipated impacts of the proposed development; and
 - Any dedication may qualify toward required offsets of the air quality mitigation program.
4. Bicycle and Pedestrian Facility Maintenance Plan: Entities responsible for the construction and maintenance of bicycle and pedestrian facilities proposed as part of a project would be required to provide a maintenance plan, including a funding strategy for the life of the bike and pedestrian facility.
 5. Vehicle Level of Service (LOS): Existing vehicle LOS requirements for new projects could be exceeded when provisions for multi-modal amenities and/or services (such as transit,

bicycling, and walking facilities) are adequate to provide mobility for users at a level that is proportional to the project generated traffic in relation to overall traffic conditions on affected roadways. The draft plan also calls for a more comprehensive assessment of LOS standards as a post-update work program. This topic is addressed under Topic #3 (Community Character).

6. **Transportation Projects:** The Draft Regional Transportation Plan prioritizes funding for pedestrian, bicycle and transit improvements over projects that focus on expanded roadway capacity. Transportation project funding is intended to complement land use policies and regulations that promote pedestrian, bicycle and transit use. Specific Transportation Projects are identified in the Regional Transportation Plan.

Public Input, Environmental Analysis, and Changes in the Final Draft:

Agency and public comments were generally supportive of policies that promote multi-modal forms of transportation. Some stakeholders raised concerns related to LOS standards and tying the release of allocations to LOS standards. Another concern stated that requiring easements for bicycle and pedestrian facilities could increase costs and delay construction. Some commenters supported individual projects, such as waterborne transit or bike trails, while others opposed them, primarily due to potential environmental impacts and costs.

The EIS did not identify any potentially significant impacts (other than those addressed above under *Development Allocations and Transfers*). Mitigation is not required.

Transportation-related policy modifications include changes that are summarized above under the *Development Allocations and Transfers* and *Community Character* topic areas. Additional modifications include:

- Modify Transportation Policies (T-1.5, T-13.1 and T-13.2) to help fund environmentally-beneficial transportation programs; and
- Modify the Pedestrian and Bicycle facility map to improve trail connectivity and better reflect topographic constraints.

Specific comments on this topic are summarized in Exhibit D, along with responses to those comments.

Topic #7 – Water Quality: Since TRPA was created, restoring Lake Tahoe’s exceptional water quality has been a primary focus for the Agency. Lake Tahoe’s average deep water clarity has declined from approximately 97.4 feet in 1967 to approximately 68.9 feet today. However, after decades of decline, loss of deep water clarity has slowed and clarity has remained relatively stable since the mid-1990’s, albeit at a level that is about 28.5 feet below the Threshold Standard.

Additionally, nearshore water quality has become a topic of growing concern. Aquatic invasive species have become established in some areas and increasing levels of attached algae have been observed in shallow waters.

Lake Tahoe is designated as an “Outstanding National Resource Water” by the State of California and the U.S. Environmental Protection Agency (EPA), a designation reserved for exceptional waters with unique ecological or social significance. Nevada has designated Lake Tahoe as a “Water of Extraordinary Ecological or Aesthetic Value.”

Lake Tahoe is also designated as an “Impaired Water Body.” Section 303(d) of the Clean Water Act requires States to compile a list of impaired water bodies that do not meet water quality standards and to establish total maximum daily loads (TMDLs) for such waters. After ten years and millions of dollars of study, the Lake Tahoe TMDL was approved by California, Nevada and the EPA in 2011. The TMDL identifies major pollution sources – for Lake Tahoe: fine sediment, phosphorus and nitrogen -- and establishes a 65-year plan to attain the adopted Threshold Standard. The TMDL summarizes Lake Tahoe’s major pollution sources in the following excerpt:

The ongoing decline in Lake Tahoe’s deep water transparency and clarity is a result of light scatter from fine sediment particles (primarily particles less than 16 micrometers in diameter) and light absorption by phytoplankton. The addition of nitrogen and phosphorus to Lake Tahoe contributes to phytoplankton growth. Fine sediment particles are the most dominant pollutant contributing to the impairment of the lake’s deep water transparency and clarity, accounting for roughly two thirds of the lake’s impairment.

A pollutant source analysis conducted by the California State Water Resources Control Board and Nevada Division of Environmental Protection identified urban uplands runoff, atmospheric deposition, forested upland runoff, and stream channel erosion as the primary sources of fine sediment particle, nitrogen, and phosphorus loads discharging to Lake Tahoe. The largest source of fine sediment particles to Lake Tahoe is urban stormwater runoff, comprising 72 percent of the total fine sediment particle load. The urban uplands also provide the largest opportunity to reduce fine sediment particle and phosphorus contributions to the lake.

Based on the pollution source analysis, the TMDL outlines a strategy to restore water quality in a cost effective manner. Generally, the TMDL strategy focuses on comprehensive catchment-based (i.e., sub-watershed) load reduction plans that address fine sediments, phosphorus and nitrogen. The States prioritized load reduction plans for urban upland areas because urban stormwater runoff is the largest source of pollution and urban uplands (pre-existing development and roads) provide the largest opportunity for improvement. Stormwater improvements along State Highways have been installed in many locations and are scheduled to be completed in the Region by 2015. Upgrading existing development on private property with water quality Best Management Practices (BMPs) has progressed more slowly.

Much of the existing development in the urban upland was built before TRPA or the 1987 Regional Plan was established and is not designed with modern stormwater treatment facilities. TRPA currently addresses existing development through the BMP retrofit program, which requires stormwater treatment on all parcels in the Region. Installing BMP retrofits are a significant expense for property owners, and overseeing implementation of the existing program is a significant expense for TRPA and other public agencies. Exhibit G depicts the

current status of BMP retrofit installation throughout the Region. Overall, approximately 34% of the Region’s parcels have received a “BMP Certificate”, with lower installation rates on non-residential parcels and in designated Centers. Centers have the highest amounts of existing land coverage and many centers have direct hydrologic connectivity to Lake Tahoe. As such, implementing more effective water quality strategies for already developed Centers is a Regional Plan Update priority.

TMDL studies suggest that TRPA’s current practice of requiring water quality improvements at the parcel-level could be refined to prioritize BMP Implementation in areas that achieve the greatest load reduction, thereby restoring Lake Tahoe’s water quality more rapidly and in a more cost effective manner. The TMDL requires Load Reduction Plans that identify catchments (aka sub-watersheds) and their respective pollutant loading to Lake Tahoe. Overall, the TMDL focuses on the quality of stormwater entering Lake Tahoe over the quality of stormwater leaving each parcel. The TMDL also utilizes a load based standard applied at the catchment level, which can be monitored and measured effectively.

The States of California and Nevada are designated authorities for administering the TMDL. They collaboratively developed the Lake Tahoe TMDL and are working closely with public agencies and other stakeholders to reduce the amount of fine sediment and nutrients entering the Lake. The Lahontan Regional Water Quality Control Board issued National Pollutant Discharge Elimination System (NPDES) permits to each California jurisdiction. The Nevada Division of Environmental Protection is implementing the TMDL through Memoranda of Agreement (MOA) with agencies in Nevada. Specific TMDL Load Reduction Plans are currently being prepared as required by each implementing jurisdiction.

A high-level comparison of TRPA’s current water quality practices and proposed future practices with full implementation of the TMDL is outlined in a table below. Full implementation is expected to occur in a series of steps, one of which is this Regional Plan Update. TMDL implementation measures that are included in the Final Draft Plan, and suggestions for additional measures, are summarized later in this topic discussion.

CONCEPTUAL SUMMARY OF LONG-TERM TMDL IMPLEMENTATION STRATEGIES	
Stormwater Management	
<u>Existing</u>	<u>Proposed</u>
<ul style="list-style-type: none"> • Implementation focus is every tax assessor parcel in region • Infiltration standard • Parcel-specific conditional compliance; area-wide pilots underway for constrained properties unable to infiltrate • TRPA minimum site-specific design standard with concentration-based discharge standard 	<ul style="list-style-type: none"> • Implementation adds focus to select sub-watershed (“catchment”) • Alternative load reduction standard • Area-wide, parcel, and/or hybrid flexibility • New Lake Clarity Crediting Program to measure and report load reduction by catchment

Private Property BMP Enforcement	
<u>Existing</u> <ul style="list-style-type: none"> • TRPA is primary BMP enforcement agency • TRPA BMP enforcement is prioritized based on proximity to public water quality improvement project or SEZ, or in response to complaints or non-response to BMP compliance notice 	<u>Proposed</u> <ul style="list-style-type: none"> • Shared state, local and TRPA responsibility for BMP enforcement • TRPA targeted enforcement coordinated to support local government priorities in areas that achieve the greatest load reduction • States will enforce TMDL compliance
Private Property BMP Operations and Maintenance	
<u>Existing</u> <ul style="list-style-type: none"> • The responsibility for the operations and maintenance of water quality projects rests with the party that installed the project • Approximately 43,000 separate O & M systems to monitor and maintain 	<u>Proposed</u> <ul style="list-style-type: none"> • Create more efficient and cost effective system at area-wide level • Options include: <ul style="list-style-type: none"> · Public entity (e.g., GID, City, County) · Group of property owners (e.g., HOA) · Private property owner • Mitigation funding for O&M capital
Monitoring	
<u>Existing</u> <ul style="list-style-type: none"> • Require project-level monitoring • No scientific nexus to WQ standards • High cost • No long-term, ongoing funding source 	<u>Proposed</u> <ul style="list-style-type: none"> • TMDL science connects load reduction by catchment to achievement of WQ standards • Local governments report load reductions through Lake Clarity Crediting Programs as required part of NPDES Permit or MOA • Regional monitoring calibrates and validates load estimation tools • Monitoring and reporting has direct nexus to regional water quality standards

The Final Draft Plan includes targeted amendments that support the findings and water quality improvement strategies of the TMDL. Amendments would expand the current focus on parcel-level regulations to reflect the TMDL strategy of comprehensive catchment-based load reduction plans for fine sediments, phosphorus and nitrogen. Parcel owners must still contribute to BMP solutions but the prescription may differ under more flexible area wide solutions that could be developed to achieve TMDL load reductions for each catchment. Local jurisdictions would have flexibility in designing the system that applies to each sub-watershed. Significant amendments include:

- Modifying Land Use and Transportation Policies to encourage environmental redevelopment, accelerate the restoration of Stream Environment Zones, and reduce automobile dependency;
- Updating language throughout the Regional Plan to support the TMDL, require ongoing coordination between TRPA and TMDL programs, and align older TRPA reporting requirements with newer TMDL reporting requirements;
- Authorizing the development of Area-Wide Best Management Practice (BMP) treatments to which individual parcel owners would contribute in different ways;
- Initiating programs to phase-out the use of chemical fertilizers that contain phosphorus; and
- Establishing new Threshold Management Standards for attached algae (a nearshore water quality indicator) and aquatic invasive species.

Land Use and Transportation Policies are discussed in detail in topic areas #2 through #6. Reduced nitrogen loading from vehicle exhaust and reduced loading from stormwater runoff in community centers are expected to result from Land Use and Transportation Policy amendments.

Final Draft Plan Water Quality amendments are summarized below.

TMDL Coordination Text:

As noted above, full integration of the TMDL with TRPA programs is expected to occur in a series of steps as detailed Load Reduction Plans are prepared and implemented. The Final Draft Plan provides a framework for ongoing TMDL/TRPA coordination with new language in the Plan Introduction, the Water Quality Introduction, Water Quality Goals and Policies and Implementation Goals and Policies. Regulatory amendments in the Final Draft Plan are summarized below. Additional future efforts to support the TMDL, including an assessment of BMP Compliance programs and stormwater discharge standards, are outlined in Attachment 5 to the Regional Plan (Preliminary List of Priority Projects).

Area-Wide BMP Treatments:

Currently, TRPA requires all properties in the Region to implement and maintain Best Management Practices to control sediment and infiltrate 20 year/1 hour storms on-site. Site-constrained properties that are unable to infiltrate stormwater may treat and release stormwater to meet adopted discharge standards (for commercial and large multi-family residential parcels), or control sediment and receive a Source Control Certificate (for small multi-family and single-family residential properties). Source Control Certificates require future participation in an area-wide project to infiltrate stormwater.

Several pilot area-wide treatment projects are currently in progress for areas that cannot meet TRPA's infiltration requirements due to site-constraints such as high ground water, bedrock, or limited property boundaries. Projects include, but are not limited to, the Bijou and Harrison Avenue Water Quality Project in the City of South Lake Tahoe, the Tahoe City Wetlands and

Lake Forest Water Treatment Project in Placer County, and the Cave Rock Water Treatment Project in Douglas County. These area-wide treatment projects may be included as strategies in the TMDL Load Reduction Plans currently being prepared by Local Governments.

The Final Draft Plan would authorize more effective load reduction strategies by permitting area-wide BMP treatments and funding mechanisms for any area, as long as they achieve equal or greater water quality benefits compared to parcel-specific BMP requirements. Area-wide BMP treatments would need to be developed and approved in accordance with provisions for Area Plans (See Topic #1). Over time, this Policy change would allow Local Governments to develop integrated Load Reduction Plans that comply with both TMDL and TRPA requirements. Where Local Jurisdictions do not gain approval of area-wide treatment programs, TRPA's site specific requirements would remain.

Phase-out Phosphorus Fertilizer:

Phosphorus is a significant pollutant of concern identified by the Lake Tahoe TMDL, with fertilizer application being a significant source. The Draft Regional Plan proposes new policy language (WQ-3.9) to phase-out the use of chemical fertilizer containing phosphorus for lawns by 2017 through education and outreach. The phase-out provision complements but does not replace existing restrictions on the use of fertilizer in Stream Environment Zones and Shorezone Areas.

New Threshold Standards for Nearshore Attached Algae and Aquatic Invasive Species:

Currently, TRPA does not have Threshold Standards for nearshore water quality or aquatic invasive species. As noted above, both topics are increasingly concerning. Aquatic invasive species have become established in some areas and increasing levels of attached algae have been reported in shallow waters. The Final Draft Plan would establish new Management Standards for Aquatic Invasive Species and Attached Algae, as follows:

Aquatic Invasive Species

MANAGEMENT STANDARD

Prevent the introduction of new aquatic invasive species into the region's waters and reduce the abundance and distribution of known aquatic invasive species. Abate harmful ecological, economic, social and public health impacts resulting from aquatic invasive species.

Attached Algae

MANAGEMENT STANDARD

Implement policy and management actions to reduce the areal extent and density of periphyton (attached) algae from Lake Tahoe's nearshore.

TRPA's Aquatic Invasive Species boat inspection program, added as a requirement to TRPA's Code in 2008, is now well established and would not be modified by the Final Draft Plan. Boat inspections will continue to be required at Lake Tahoe.

Scientific study is ongoing to better understand the causes of nearshore water quality challenges (including attached algae) and the most effective strategies to improve nearshore water quality. When studies are complete, the new Threshold Standards may be proposed for refinement. Available information indicates that the pollution sources affecting deep water transparency, especially phosphorus and nitrogen, are also responsible for attached algae in the nearshore. TMDL Load Reduction Plans are expected to benefit nearshore water quality.

Public Input, Environmental Analysis, and Changes in the Final Draft:

Many agency and public comments focused on area-wide BMP provisions, BMP enforcement programs, and TMDL coordination between the States and TRPA. Comments were also received on fertilizer provisions and the Section 208 Water Quality Management Plan. Many comments supported area-wide BMP treatments and increased State-TRPA coordination with the TMDL. Other comments raised concerns about the potential for duplicative and inconsistent requirements, about the effectiveness and impact of BMP enforcement programs and about the appropriateness and adequacy of various water quality requirements.

The Draft EIS did not identify any potentially-significant impacts related to water quality policy amendments. Water quality impacts related to other policies (e.g. coverage) are summarized under other topic areas.

The Final Draft Plan includes modifications that:

- Require additional coordination between TRPA and the TMDL regulatory agencies, including new provisions for Area Plan recertification every four years;
- Clarify and modify water quality policy language, water quality reporting requirements and criteria for BMPs on constrained sites to improve consistency with the TMDL; and
- Initiate a Governing Board-stakeholder workgroup to review BMP compliance options.

Specific comments on this topic are summarized in Exhibit D, along with responses to those comments.

Topic #8 – Air Quality: The Final Draft Plan includes targeted amendments to minimize air pollution, accelerate attainment of air quality thresholds, comply with applicable air quality laws and respond to current conditions in the Region. Improved air quality also benefits Lake Tahoe’s water quality by reducing atmospheric deposition of pollutants. Major air quality amendments focus on reducing automobile reliance; prioritizing pedestrian, bicycle and transit improvements; expanding the use of air quality mitigation fees; suspending consideration of in-Region biomass facilities and increasing the time that businesses may be closed before having to pay new air quality mitigation fees. A pilot project for drive-up pharmacy windows is also proposed.

Land Use and Transportation strategies to reduce automobile reliance and expand alternative transportation infrastructure are important air quality improvement initiatives and are addressed under topic areas #2 through #6 above. The Land Use / Transportation strategy (aka “Sustainable Communities Strategy”) complies with California Senate Bills 375 and 575, which

require a 5% net reduction in per-capita Greenhouse Gas emissions from automobiles and light trucks in the California portion of the Region by 2035.

The disbursement of air quality mitigation fees, the prohibition of biomass facilities, the extension of the allowed business closure period and the drive-up pharmacy pilot program are addressed in more detail below.

Disbursement of Air Quality Mitigation Fees: Under the existing Regional Plan, new or transferred development or changes in operation that result in increased vehicle trips must mitigate the regional and cumulative impacts of those increased trips. With limited exceptions, increased vehicle trips must be mitigated through the payment of an air quality mitigation fee or through direct implementation of air quality improvement measures (Draft Code Sec 65.2.4 & 65.2.5).

The air quality mitigation fees are disbursed for air quality improvement projects, such as transit services or bicycle facilities, within the jurisdiction where they were collected to mitigate localized impacts. However, restricting the use of mitigation fees to the jurisdiction where they were collected does not allow fees to be pooled and directed towards the highest priority and most cost-effective projects in the Region.

The Final Draft Plan allows a portion of the Air Quality mitigation fees to be used anywhere in the Region, regardless of where the fee was collected (Draft Code Sec 65.2.6). This change would allow a portion of the fees to be directed towards the highest priority or most cost-effective projects to benefit air quality within the Region. The Final Draft Plan requires that air quality mitigation projects be developed in cooperation with Local Governments, but does not specify what portion of collected fees should be used outside the jurisdiction where the fees were generated.

Suspension of Biomass Facilities Projects: The existing Regional Plan provides exemptions from air pollution emission limits for biomass facilities that demonstrate a significant net reduction in emissions from pile burning of excess forest fuels (Code Sec 65.1.6.E.3). While this provision can result in a net decrease in emissions, it can also result in concentrating emissions that would otherwise be dispersed and relocating emission sources from less populated to more populated areas.

The Final Draft Plan removes the exemption from air pollution emission limits and suspends the acceptance of applications for biofuel facilities unless further research demonstrates the safety and environmental compatibility of such facilities within the Tahoe Region (Draft Code Sec 65.1.6.F).

Extension of Business Closure Period: A proposal in Alternative 4 of the Draft EIS to allow businesses to be closed for more time before having to pay new air quality mitigation fees (Code Sec 65.2.3.F) was endorsed for inclusion in the Final Draft Plan. This topic was the subject of significant public comment in support of the change. Currently, air quality mitigation fees are required with new or expanded development, when the use of existing development generates

more than 100 additional vehicle trips, or when businesses seek to reopen after not being in operation for at least 90 consecutive days in the prior 24 months. Significant public input has suggested that having to pay major new air quality mitigation fees is an impediment to the re-establishment of viable businesses in the Region's vacant commercial spaces.

The Final Draft Plan extends the time that businesses may be closed from "90 consecutive days in the prior 24 months" to "90 consecutive days in prior 60 months". The minor loss in air quality mitigation fee revenue is projected to be more than offset by plan amendments that increase the amount of air quality improvement that can be achieved with available fees, including not requiring that coverage be purchased for bicycle and pedestrian trails and allowing mitigation fees to be spent on regional priorities. Further, the more comprehensive reforms to reduce air pollution that are described in this Staff Summary far outweigh any air quality impact from the possible minor reduction in mitigation fee revenue.

Drive-Up Pharmacy Pilot Program: Currently, new drive-up windows are strictly prohibited in the region. This prohibition was instituted for the protection of air quality in the 1980's. Many people have raised concerns with this blanket prohibition throughout the planning process. The primary concern is that the drive-up window prohibition for pharmacies creates a significant health and safety risk for the Region's elderly and disabled. In winter months, parking lots are often icy and snow covered. The current prohibition prevents elderly and disabled people from picking-up prescriptions without having to walk through parking lots in potentially dangerous conditions. Other commenters pointed out that emission standards for passenger vehicles are much stricter today than they were in the 1980's, therefore, the limited amount of idling time at drive up windows no longer creates a significant air quality impact.

The Final Draft Plan includes a pilot program for drive-up pharmacy windows. The program is limited to two businesses, which are required to be monitored for air quality impacts. The prohibition on all other forms of drive up windows remains in place.

Public Input, Environmental Analysis, and Changes in the Final Draft:

Some stakeholders expressed concern over the feasibility of mitigation measures proposed in the Draft EIS. Environmental interests supported more specific mitigation measures, while others questioned the need for the proposed mitigations. Local governments and business interests expressed support for the provision (then in Alternative 4) to extend the time that businesses may be closed before having to pay new air quality mitigation fees. Comments addressing the biomass facility project suspension and mitigation fee changes were generally split.

The EIS did not identify any significant impacts from the proposed air quality amendments, but did identify potentially significant air quality impacts related to construction practices and building/facility operations. Mitigation measures would require Region-wide policies for construction emissions and for the design and operation of buildings and other facilities.

The Final Draft Plan includes modifications that:

- Require new programs addressing EIS mitigations be developed and implemented in 2013;
- Include the Alternative 4 changes related to the disbursement of air quality mitigation fees in the Draft Plan; and
- Establish a pilot program for drive-up pharmacy windows in the City of South Lake Tahoe.

Specific comments on this topic are summarized in Exhibit D, along with responses to those comments.

Topic #9 – Noise: The Draft Regional Plan addresses noise control with targeted amendments to reduce automobile reliance and promote alternative forms of transportation. Roadways are a significant source of noise pollution in the Region. Land Use and Transportation strategies to reduce automobile reliance and expand alternative transportation infrastructure are summarized in topic areas #2 through #6 above.

The Final Draft Plan retains other existing provisions related to noise, with language clarifications, and calls for an ongoing analysis of airport noise and an update to the 1986 Airport Master Plan.

The revised policy language clarifies that TRPA and the City of South Lake Tahoe will continue to work towards attainment of the applicable aircraft Threshold Standards and that an update to the 1986 Airport Master Plan would serve as the mechanism to attain and maintain applicable single event Noise Threshold Standards.

Public Input, Environmental Analysis, and Changes in the Final Draft:

During preparation and peer review of the 2011 Threshold Evaluation, the feasibility and array of existing Noise Threshold Standards were called into question. The evaluation indicated that existing Threshold Standards for noise may be overly complex and unachievable if based on a zero tolerance policy. Concerns focused on single event noise standards and exterior noise standards in developed areas. An evaluation and update to the existing Threshold Standards for noise was recommended.

Few comments were received on noise policies or mitigation measures during the EIS comment period. Comments that were received focused on the feasibility and potential negative effects of proposed mitigation measures; or expressed concern over Policy language related to airport noise and suggested that the Plan should include more stringent regulations on airport uses.

The EIS did not identify any significant environmental impacts from the proposed noise policy revisions, but did identify potentially significant impacts based on existing Threshold Standards. Potentially significant impacts resulted from cumulative traffic noises, construction related noise and ground vibration, and redevelopment in areas where existing noise levels exceed Threshold Standards. Mitigation measures would require the development and implementation of a Region-wide traffic noise reduction program, a Region-wide policy on construction noise, and exterior noise standards.

The Final Draft Plan includes modifications that require new programs addressing EIS mitigations be developed and implemented in 2013.

Specific comments on this topic are summarized in Exhibit D, along with responses to those comments.

Implementing Documents:

2012 regional planning documents being presented for final consideration, and acceptance or approval include the following:

1. 2011 Threshold Evaluation: The Threshold Evaluation outlines the Region’s progress in achieving and maintaining the Region’s adopted Threshold Standards. The independently peer-reviewed Threshold Evaluation considered current science and analyzed Basin-specific detailed monitoring data regarding environmental conditions and the status of Threshold attainment.
2. Threshold Amendments: A suite of six Threshold Standard amendments are presented in Attachment A of the Final Draft Regional Plan (as changes to Exhibit A of Governing Board Resolution 82-11). Threshold amendments include:
 - An amended Water Quality Standard for Deep Water Transparency (to align with State Standards);
 - A new Water Quality Standard for Nearshore Attached Algae;
 - A new Water Quality Standard for Aquatic Invasive Species;
 - An amended Air Quality Standard for Carbon Monoxide (to align with State Standards);
 - An amended Air Quality Standard for Respirable and Fine Particulate Matter (to align with State Standards); and
 - An amended Wildlife Standard for Goshawk Disturbance Zones (to better protect the best available habitat surrounding known nest sites).

The threshold amendments were developed in consideration of the findings and recommendations in Threshold Evaluations and through the public planning process described in Exhibit A. Environmental analysis of the proposed threshold amendments is presented in the Regional Plan Environmental Impact Statement.

3. Regional Goal and Policy Plan (“Regional Plan”): The Regional Plan includes goals and policies that, along with implementing ordinances and programs, will achieve and maintain the Region’s Environmental Thresholds. The Regional Plan was developed in consideration of findings and recommendations in the 2011 and earlier Threshold Evaluations and through the public planning process described in Exhibit A.
4. Code of Ordinances: The Code of Ordinances includes regulations that implement the Regional Plan and will achieve and maintain the Region’s Environmental Thresholds. The

Code of Ordinances was developed through the public planning process in coordination with the Regional Plan.

5. Regional Plan Environmental Impact Statement (Regional Plan EIS): The Regional Plan EIS evaluated potential environmental impacts of the proposed threshold amendments and the amendments to the Regional Plan and Code of Ordinances. The EIS identifies mitigation measures to ensure that potentially-significant impacts would be mitigated to a level of insignificance.
6. Regional Transportation Plan (RTP): The Regional Transportation Plan repeats transportation goals and policies from the Regional Plan and establishes implementing transportation programs and projects. The RTP meets Compact and Federal transportation planning requirements, and also serves as the Region’s “Sustainable Communities Strategy”, as required by California law.
7. Regional Transportation Plan Joint Environmental Impact Report and Environmental Impact Statement (EIR/EIS): The Regional Transportation Plan EIR/EIS evaluated potential environmental impacts of the Regional Transportation Plan, including transportation programs and projects. The EIR/EIS identifies mitigation measures to ensure that potentially-significant impacts would be mitigated to a level of insignificance.
8. Section 208 Water Quality Management Plan: The Section 208 Water Quality Management Plan (“208 Plan”) is administered by TRPA under authority delegated by the states of Nevada and California, with approval of the EPA. The 208 Plan outlines the water quality management system in the Lake Tahoe Region, including provisions in the Regional Plan and BMP Manual. The existing Plan is being updated - in coordination with California, Nevada and the EPA - to reflect the updated Regional Plan, BMP Manual and TMDL. In order for the Regional Plan Update to become fully effective, the 208 Plan, as amended, must be approved by the TRPA Governing Board, both States and the EPA.

Additional information about the process that was used to develop each document is provided in Exhibit A.

Contact Information:

For general questions, please contact Joanne Marchetta, Executive Director at jmarchetta@trpa.org or (775) 598-5226 or John Marshall, General Counsel at jmarshall@trpa.org or (775) 589-5286.

For questions on the Draft Regional Plan, Code of Ordinances or EIS, please contact Arlo Stockham, Regional Planning Manager at astockham@trpa.org or (775) 589-5236.

For questions on the Draft Threshold Evaluation, please contact Shane Romsos, Acting Measurement Manager at sromsos@trpa.org or (775) 589-5201.

For questions on the Draft Regional Transportation Plan or EIR/EIS, please contact Nick Haven, Transportation Planning Manager at nhaven@trpa.org or (775) 589-5256.

For questions on the Draft Section 208 Water Quality Management Plan, please contact John Hester, Planning Director at jhester@trpa.org or (775) 589-5219.

Exhibits:

- A. Summary of the Planning Process
- B. Modifications to the April Draft Regional Plan and Code
- C. Comments on the April Draft Threshold Evaluation and Responses.
- D. Comments on the April Draft Regional Plan and Responses
- E. Existing Development Map and Data Packet
- F. Recreation Reclassification Map
- G. Water Quality Map Packet

Enclosures:

- A. Final Draft Threshold Evaluation;
- B. Final Draft Regional Plan;
- C. Final Draft Code of Ordinances;
- D. Final Regional Plan Update Environmental Impact Statement (EIS);
- E. Final Draft Regional Transportation Plan;
- F. Final Regional Transportation Plan Environmental Impact Report (EIR/EIS); and
- G. Final Draft Section 208 Water Quality Management Plan (to be provided).