

TAHOE REGIONAL PLANNING AGENCY (TRPA)
DEVELOPMENT RIGHTS WORKING GROUP (DRWG) MEETING

NOTICE IS HEREBY GIVEN that on **Tuesday, October 25, 2016** commencing at **10:00 a.m.**, at the **Tahoe Regional Planning Agency, 128 Market Street, Stateline NV** the Development Rights Working Group of the Tahoe Regional Planning Agency will conduct its regular meeting. The agenda is attached hereto and made part of this notice. The agenda will be as follows: **1) Public Interest Comments; 2) Chair Welcome; 3) Development Rights Strategic Initiative Matters; 4) Development Rights Working Group Comments; and 5) Public Comments**

October 10, 2016

A handwritten signature in blue ink that reads "J. Marchetta". The signature is written in a cursive style and is followed by a horizontal line.

Joanne S. Marchetta, Executive Director

This agenda has been posted at the TRPA office and at the following locations: Stateline, Nevada and Tahoe Valley, California. The agenda has also been posted at the North Tahoe Conference Center in Kings Beach, the Incline Village IVGID office and the North Tahoe Chamber of Commerce.

TAHOE REGIONAL PLANNING AGENCY	
DEVELOPMENT RIGHTS WORKING GROUP	
Tahoe Regional Planning Agency	October 25, 2016
Stateline, NV	10:00 a.m.

All items on this agenda are action items unless otherwise noted. Items on the agenda, unless designated for a specific time, may not necessarily be considered in the order in which they appear and may, for good cause, be continued until a later date.

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All public comments should be as brief and concise as possible so that all who wish to speak may do so; testimony should not be repeated. The Chair of the Regional Plan Update Committee shall have the discretion to set appropriate time allotments (3 minutes for individuals and 5 minutes for group representatives). No extra time for speakers will be permitted by the ceding of time to others. Written comments of any length are always welcome. So that names may be accurately recorded in the minutes, persons who wish to comment are requested to sign in by Agenda Item on the sheets available at each meeting.

“Teleconference locations for Working Group meetings are open to the public ONLY IF SPECIFICALLY MADE OPERATIONAL BEFORE THE MEETING by agenda notice and/or phone message referenced below.”

In the event of hardship, TRPA DRWG members may participate in any meeting by teleconference. Teleconference means connected from a remote location by electronic means (audio or video). The public will be notified by telephone message at (775) 588-4547 no later than 6:30 a.m. PST on the day of the meeting if any member will be participating by teleconference and the location(s) of the member(s) participation. Unless otherwise noted, in California, the location is 175 Fulweiler Avenue, Conference Room A, Auburn, CA; and in Nevada the location is 901 South Stewart Street, Second Floor, Tahoe Hearing Room, Carson City, NV. If a location is made operational for a meeting, members of the public may attend and provide public comment at the remote location.

TRPA will make reasonable efforts to assist and accommodate physically handicapped persons that wish to attend the meeting. Please contact Marja Ambler at (775) 589-5287 if you would like to attend the meeting and are in need of assistance.

AGENDA

I. CALL TO ORDER AND DETERMINATION OF QUORUM

II. PUBLIC COMMENT – All comments may be limited by the Chair.

Any member of the public wishing to address the Development Rights Working Group on any item listed or not listed on the agenda may do so at this time. TRPA encourages public comment on items on the agenda to be presented at the time those agenda items are heard. Individuals or groups commenting on items listed on the agenda will be permitted to comment either at this time or when the matter is heard, but not both. The Development Rights Working Group is prohibited by law from taking immediate action on or discussing issues raised by the public that are not listed on this agenda.

III. APPROVAL OF AGENDA

IV. APPROVAL OF MINUTES

V. CHAIR WELCOME

VI. DEVELOPMENT RIGHTS STRATEGIC INITIATIVE MATTERS

- | | | |
|---|---|-----------------------|
| A. Background and Work Program Status | Informational Only | <u>Page 4</u> |
| B. Presentation and Discussion of Legal Analysis of Development Rights Strategic Initiative | Informational Only | |
| C. Discussion and Approval of Goals and Criteria for Evaluation of Alternatives | Discussion and Possible Direction To Staff | <u>Page 33</u> |
| D. Review of and Best Practices Research Plan and Next Working Group Meeting | Discussion and Possible Direction To Staff | <u>Page 40</u> |

VIII. WORKING GROUP MEMBER COMMENTS

IX. PUBLIC COMMENT

X. ADJOURNMENT

MEMORANDUM

Date: October 25, 2016
 To: Development Rights Working Group
 From: TRPA Staff
 Subject: Work Program Status Report (Agenda Item VI A)

Requested Action

No action is required. This is an “informational only” item.

Summary

As stated at the initial Development Rights Working Group (DRWG) meeting, each time the DRWG meets, staff will present a report that indicates the status of this initiative vis-à-vis the Work Program approved by the Governing Board. That is the purpose of this staff report.

Work Program Status

Below is a status report on the recent and near-term Work Program tasks, as well as the DRWG meeting date(s) at which the task was/will be addressed.

Work Program Status Update for 10/25/2016 Working Group Meeting

Tasks		Status	DRWG Meeting Date
1.1.1-1.1.4	Stakeholder preparation, interviews, presentation to APC and GB, and distribution of final stakeholder assessment report	Complete	9.7.16
1.2.1 – 1.2.2	Prepare work program, present work program and obtain GB approval	Complete	9.7.16
1.3.1-1.3.3	Identify working group membership, GB approval of working group members, APC selection of two working group members	Complete	9.7.16
1.4.1-1.4.2	Enhance online development rights data and prepare report on current development rights inventories	Complete	9.7.16
1.5.1 and 2.1.1	Outline development rights policies, programs, regulations, permitting process; compare original intent to current situation; and identify areas for potential improvements. Present information sheets.	Complete	9.7.16

1.5.2 – 1.5.3	Add website improvements and materials to www.trpa.org/development-rights/ based on 1.5.1 and as new information is released. Provide updates to project email list and as new information is released.	Ongoing (first email list update sent in August, another to be sent prior to 10.25.16 meeting)	9.7.16, 10.25.16, Ongoing
2.1.2	Work group will determine “sideboards” and APA PAS inquiry specifications, staff will contact schools and post a Request for Proposals (RFP) for consultants	Complete: Revised Factsheet #6 includes the approved scope of work and mission and the meeting summary are attached. Staff submitted inquiry, contacted schools, and posted RFP.	9.7.16, 10.25.16
2.2.1	Document existing policies and code, and present to working group	Present at the 10.25.16 DRWG meeting. Factsheet #7 is attached to provide this information.	10.25.16
2.3.1	Working group will determine criteria for selection of best alternative(s)	Present and discuss at the 10.25.16 DRWG meeting (Agenda Item VI C)	10.25.16
2.3.2	Present best practices research plan to working group	Present at the 10.25.16 DRWG meeting (Agenda Item VI D)	10.25.16
2.4.1	Engage California and Nevada university planning programs in research	Presentations TBD after schools engage and students complete project	Future Meeting
2.4.2	Engage consultant or consultants (e.g., planning, legal, development economics, and/or financing) to synthesize APA PAS, universities, and original research, and to prepare best practices findings and alternatives	Preparing for this Upcoming Task	Future Meeting
2.4.3	Present best practices findings and preliminary alternative ideas, and solicit feedback from working group, APC, and GB	Preparing for this Upcoming Task	Future Meeting

Contact Information

If you have questions regarding this item, please contact Jennifer Cannon, AICP, Senior Planner, at (775) 589-5297 or jcannon@trpa.org or John Hester, AICP, Chief Operating Officer, at (775) 589-5219 or jhester@trpa.org.

Attached:

- Table providing October 2016 Update on the Work Program Schedule for the Development Rights (Commodities) Strategic Initiative
- Development Rights Working Group Meeting #1 Meeting Summary 9/7/2016
- Factsheet #6: Final Mission and Scope of Work
- Factsheet #7: Summary of Current Regional Level Development Rights Goals, Policies, and Regulations
- Summary of Reported Challenges with Tahoe Development Rights/Commodities Program (Agenda Item VI.A)

October 2016 Status Update, Work Program Schedule for the Development Rights (Commodities) Strategic Initiative

Tasks		2016 (July – December)						2017 (January – December)						2018 (January – December)															
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
1.1.1-1.1.4	Stakeholder interviews preparation, interviews, presentation to APC and GB, and distribution of final stakeholder assessment report	Completed																											
1.2.1	Prepare work program	[Green bar]																											
1.2.2	Present work program and obtain GB approval	[Green bar]																											
1.3.1	Identify working group membership	[Green bar]																											
1.3.2	GB approval of working group membership	[Green bar]																											
1.3.3	APC selection of two working group members	[Green bar]																											
1.4.1	Enhance online development rights data	[Green bar]																											
1.4.2	Prepare report on current development rights inventories	[Green bar]																											
1.5.1	Outline development rights policies, programs, regulations, permitting process; compare original intent to current situation; and identify areas for potential improvements	[Green bar]																											
1.5.2	Add website improvements based on 1.5.1	[Green bar]																											
1.5.3	Provide results from 1.5.1 to working group and listserv	[Green bar]																											
2.1.1	Present information sheets to working group	[Green bar]																											
2.1.2	Working group will determine "sideboards" and APA PAS inquiry specifications; staff will contact schools and post an RFP for consultants	[Green bar]																											
2.2.1	Document existing policies and code, and present to working group	[Cyan bar]																											
2.2.2	Submit APA PAS inquiry	[Green bar]																											
2.3.1	Working group will determine criteria for selection of best alternative(s)	[Cyan bar]																											
2.3.2	Present best practices research plan to working group	[Cyan bar]																											
2.4.1	Engage California and Nevada university planning programs in research	[Blue bar]																											
2.4.2	Engage consultant or consultants (e.g., planning, legal, development economics, and/or financing) to synthesize APA PAS, universities, and original research, and to prepare best practices findings and alternatives	[Blue bar]																											
2.4.3	Present best practices findings and preliminary alternative ideas, and solicit feedback from working group, APC, and GB	[Blue bar]																											
2.5.1	Identify range of alternatives	[Blue bar]																											
2.5.2	Evaluate alternatives using results from 2.3.1	[Blue bar]																											
2.5.3	Present recommended alternative to working group for their recommendation with changes, if any	[Blue bar]																											
2.5.4	Present working group recommendation on alternatives to APC and GB for feedback and approval (GB)	[Blue bar]																											
3.1	Develop policy and code amendments	[Blue bar]																											
3.2	Perform environmental review	[Blue bar]																											
3.3	Obtain formal approval through APC, RPIC, and GB public hearing process	[Blue bar]																											
3.4	Implementation of approved recommendations	[Blue bar]																											
4.1-4.9	Additional sort and long-term projects to be determined	TBD																											

[Green bar] Completed Tasks

[Cyan bar] Tasks to be covered at the 10.25 meeting (2nd working group meeting)

[Blue bar] Future Tasks

Development Rights Working Group Meeting #1

Meeting Summary 9/7/2016

Meeting Attendees (Estimated total of 24 persons):

Working Group: Clem Shute (RPIC), Mark Bruce (RPIC), Shelly Aldean (RPIC), Larry Sevison (RPIC), Jim Lawrence (RPIC), Bill Yeates (RPIC), Austin Sass (RPIC Alternative), Roger Trout (APC, El Dorado County), Shawna Brekke-Read (APC, Placer County), Jesse Patterson (League to Save Lake Tahoe), Patrick Wright (CA Tahoe Conservancy), Charlie Donahue (NV Division of State Lands), Nicole Rinke (CA State Attorney General's Office), Lew Feldman (Feldman, McLaughlin, Thiel)

TRPA Staff: Jennifer Cannon, John Hester, John Marshall, Rebecca Cremeen, Kim Hern

Other Attendees: Jennifer Quashnick, Steve Teshara, Shannon Eckmeyer, Elizabeth Kingsland, John Hitchcock

Meeting Goals: 1. Approve the Mission Statement and Scope of Work for the Development Rights Strategic Initiative; 2. Approve Inquiry to American Planning Association Planning Advisory Service; and 3. Provide input for the October meeting item on criteria for evaluating alternatives.

Meeting Outcomes:

The Working group provided edits to and finalized the Mission and Scope of the Development Rights Strategic Initiative. The Working group gave approval to staff to move forward with American Planning Association Planning Advisory Service "state of the practice" and "peer comparisons" inquiries with changes to the context statement to ensure the question is looked at broadly beyond just transfer of development rights. Input was provided which will inform the criteria that will be used for evaluating alternatives. Further discussion and a decision on the goals and criteria for evaluating alternatives will be included on the October agenda.

Meeting Summary:

Rules of Conduct/Introduction

John Marshall gave overview of open meeting law. The working group can have conversations outside of public hearing forum with less than a quorum, but cannot deliberate and/or make decisions. Clem Shute (Chair) gave an introduction on purpose of the Working Group, ground rules and scope of the initiative. Clem invited public comments but might limit the duration of the comments. The working group may be augmented by experts and subcommittees may be formed to focus on specific topic areas. Mark and Clem will act as staff liaisons - meeting before and after each meeting. All communications from the working group should go through TRPA staff.

Agenda/Background on Initiative

Jennifer - Gave overview of Agenda and Background (see packet), Work Program, timing.

John H. - provided overview of Mission and Scope of Work which was a result of the Stakeholder Assessment.

There is some concern with vernacular and use of the name “Development Rights” as it may be confused with the very specific type of commodity defined in the current TRPA Code - residential development rights. It was decided to use terms consistent with the national industry standards and when specific code changes are made, the residential development rights term can be revised if needed.

Staff presented an overview of the development rights accounting found in Factsheet #1: *Current Inventory of Development Rights*.

Discussion:

- TRPA staff clarified that local jurisdictions may elect to retain Residential Allocations earned through the annual performance review process and these can be used for eligible projects (this is in reference to *Table 3. Residential Allocations Provided to Jurisdictions* in Factsheet #1). Some working group members pointed out that it is difficult to track this system and that we may never reconcile the numbers.
- Lew emphasized the need to address the oversupply of TAUs. From his experience comparable recreational resort regions have a supply of 4-6,000 TAUs and Tahoe has around 12,000 TAUs.
- Shelly asked for clarification on the “banked” figures in the tables. TRPA clarified that we reported what is available by reviewing only verifications and banking application types and files that had the term “bank” in the project description in Accela (i.e., the TRPA permit tracking system). This list is not exhaustive and most likely does not include units that were banked as part of a larger development project. This inventory information will be a work in progress and updated as we find more banking permits, or issue new permits.
- Staff prepared diagrams illustrating the difference between a typical planning framework and the TRPA system. This will be a useful tool when evaluating how we can streamline our system or pull out components that are critical to achieving regional plan goals. In reference to the conceptual diagram, a question emerged about whether we are including the built lots in the scope and it was confirmed that it is included in the scope.
- There may be a need to more clearly and specifically describe system challenges.

Mission Statement

The Mission Statement was changed slightly given working group input.

Final Mission Statement: *To consider changes to the current development rights system (a.k.a., commodities system) to better manage growth, support environmentally beneficial and economically feasible redevelopment, and improve the effectiveness and predictability of the current development rights system in TRPA’s jurisdiction*

Scope of Work

The working group agreed that best practices research phase should include a broad inquiry that looks at alternatives to growth management beyond transfer of development rights. The complexity of the system can be re-evaluated to see if elements are still applicable and if they can be addressed with a more traditional approach such as zoning. The scope should reflect the goals and desire to look at a variety of alternatives. The scope of work was changed to reflect this input as follows:

Final Scope of Work: *The scope of work consists of an evaluation of the development rights (a.k.a., commodities), timing (a.k.a. allocations), and the transfer of development rights (TDR) sections of the TRPA Code of Ordinances. This may include examining alternative systems that implement existing Regional Plan policies while considering existing development rights (a.k.a. commodities). Affordable housing and vacation rentals will be addressed only in terms of the requirements related to the quantity and type of development rights and allocations. A comprehensive affordable housing strategy (e.g., new/different types of housing, preservation strategies, land use and regulatory changes, etc.) and a complete review of vacation rental requirements (e.g., permitting requirements, transient occupancy tax, enforcement, local regulations on noise, garbage, parking, etc.) are beyond the scope of this initiative.*

Discussion:

- Focus of Mission: Group agreed that the mission should be kept focused rather include all issues in the basin including traffic. Improved circulation is covered as a goal/incentive in the regional plan and is inherent in the environmentally beneficial redevelopment concept.
- Focus of Scope of Work: Bill prefers evaluating the whole system and the elements critical to retain that cannot be addressed by a more traditional zoning approach (we should question the need for complexities such as commodities and transfers). The system should be based on the Bi-State Compact goals and policies and the growth cap. TRPA staff pointed out that we have a legally defensible system but it was questioned whether the rationale behind the existing system is still valid. Lew agreed that some of the factors that created the complexity are no longer applicable. Larry pointed out how everything was made into a commodity to help move development. Patrick asked what the TDR program needs to do beyond zoning and pointed out that it provides an overall cap, regulates the type and pace of development, transfers development from sensitive to less sensitive lands and into Centers from outside of Centers, and helps reduce excess hotel/motel development. He asked what we are trying to do beyond transfers and what's covered in Area Plans, and that we think hard about the goals and north and south shore differences (will need local jurisdiction buy-in). Mark pointed out that variances could be allowed for good projects though another member was unsure whether staff could handle variances. Important to focus on key goals and changing standards rather than rehashing the existing system. The group agreed that the scope should examine the system broadly (potential implication is that certain commodities could no longer be relevant); focus on identifying desired system criteria to meet desired goals; and to look at alternatives to the current system.
- TAUs: Larry said that TAUs are linked to employee housing. Austin pointed out complications with the system since a significant portion of motels are being used as de facto affordable housing (not really TAUs) and vacation home rentals are being used as TAUs. Jim Lawrence noted that casino rooms and vacation home rentals are not accounted for in the system. Clem noted that we should try to understand what these are and how they were accounted for in the EIS (2012 RPU).
- CFA: Clem asked whether we have an over-supply of commercial units (CFA). Lew said we have used half of CFA allocated in the Regional Plan and pointed out that neighborhood commercial is difficult to sustain since the world is different now with internet shopping, etc.
- The group discussed the need for the scope to include reference to respect existing investments though Nicole thought this language was too broad.

Public Input:

- Jennifer Quashnick asked about the inclusion of improved transportation circulation (reduced vehicle miles traveled) as a goal. She cautioned against revising the system in a way that would increase the development potential.

Inquiry to American Planning Association (APA) Planning Advisory Service

TRPA staff gave overview of resources we will use for the best practices research to inform our working group. The resources include an APA “state of the practice” and “peer comparison” inquiry, a student competition, and consultant expertise. The Working Group suggested that staff clarify that the scope is broadly looking at alternatives to the existing system as outlined in the scope of work notes above, that the text should be changed prior to submitting the inquiry, and agreed that input from outside of Tahoe will be valuable in addition to internal knowledge.

Final “state of the practice” and “peer comparisons” Inquiries: What are the best practices in the US for using development rights, a transfer of development rights system (TDR), or an alternative approach to (1) manage growth (capping the total amount of development), (2) encourage environmental restoration of the built environment, and (3) respect property rights? At Lake Tahoe development rights include: commercial space by square foot, tourist accommodation units (e.g., hotel and motel rooms, etc.), existing residential units (i.e., a right and allocation), residential development rights (one per parcel), residential allocations issued annually, and residential bonus units. TRPA has identified potential peers and they include: the New Jersey Pinelands, King County in Washington, Montgomery County in Maryland, the City of Boulder Colorado, and Boulder County in Colorado. Please see Attachment A for more detail on the submitted Planning Advisory Service inquiry.

Discussion:

- Amend Inquiry: The working group felt that we should have a better definition and clarity of goals prior to submitting the inquiry. TRPA staff clarified that we can revise the inquiry and work with APA as we refine our scope and goals. TRPA has unlimited access to the Inquiry Service and can submit follow up questions as needed.
- Learning from Peer Examples outside the Basin: APA recommends we provide them with any specific jurisdictions whose growth management practices we are interested in learning more about. Boulder is a good example. While some working group members thought that the level of complexity in Tahoe is unmatched elsewhere and would be difficult to compare, the majority agreed it would be valuable to look at systems outside the Region for a fresh perspective. Lastly, some thought that we should rely on internal knowledge of the system since it’s difficult and time-consuming to educate outsiders, while other members stressed that there is a lot to be gained from knowledge outside of the Basin. It was noted that the TRPA practices used to be on the “cutting edge” but are not now.
- Working group members asked that we ensure that the inquiry focus on systems that achieve environmental improvement. Other comments included the desire to see a standard system, simpler system options (others have much less complexity, could have one type of development right), examples that show land use policy options, and systems of allocating development rights in addition to transfer systems.

- Clem raised the concern that residential development rights are being used as vacation home rentals which further complicates the system. Although we do not intend to include VHR's in the scope of the initiative, TRPA may need to get involved if this cannot be managed by local jurisdictions.
- Nicole wanted more non-anecdotal information about barriers and cost issues and development barriers associated with the process that is presented in comparison with other peer jurisdictions (for example, many jurisdictions have impact fees similar to Tahoe and other development barriers such as the scarcity of land and the desire for more density). Case studies might be helpful. Jim pointed out that impact fees for development are more predictable and consistent while the inflation of Tahoe commodities is artificial and inconsistent. There is a need to justify change in the system and avoid false expectations with the outcomes. TRPA staff will share pro-forma information and economic reports on this topic.

Public Input:

- Shannon Eckmeyer stated that the updates to the Regional Plan are not working as well as desired, particularly the incentives to build in Town Centers; the commodities are too expensive on top of all the mitigation fees; and economic recovery is slow and redevelopment too difficult in Tahoe.

October Agenda Item Input

The Working Group was asked to provide input on the October agenda item regarding criteria for a successful development rights system. The results were grouped together as follows:

1. ID oversight, cheap to administer, trackable and enforceable, legally defensible
2. Legally defensible, respects property rights, honors the past
3. Promotes public/private partnerships, promotes investment, real value, economically attractive, better use of land banks, feasible and flexible, adaptable to changing conditions, addressing external factors
4. Environmental benefit, implements RPU, solves built environment challenge, concentrates growth, achieves environmental gain, actively used, accelerates positive change, incentivize location/transportation, promotes real environmental benefits.
5. Supported by local governments, supported by states, supported by community

Next Meeting Agenda Items

- Provide legal analysis
- Using the above input, select goals and criteria for evaluation of alternatives
- Provide a summary of current policies and regulations related to the identified scope
- Provide best practices research plan

Action Items:

- TRPA staff will finalize Mission and Scope.

- TRPA staff will revise Planning Advisory Service inquiry to reflect input from the working group to look at broad range of alternatives to growth management and submit it to the American Planning Association (APA).
- TRPA staff will prepare recommendations for goals and criteria (staff report).
- TRPA staff will prepare best practices research plan and status report (staff report).

Next Meeting:

Date of the next Development Rights Working Group Meeting will be October 25, 2016, the day before the TRPA Governing Board meeting.



Factsheet #6: Final Mission and Scope of Work

Based on the guidance from the Development Rights Working Group provided during the September 7, 2016 working group session and the identified concerns provided below in the background section, the following mission and scope of work has been prepared to help provide focus for the Development Rights Strategic Initiative.

Mission

Consider changes to the current development rights system (a.k.a., commodities system) to better manage growth, support environmentally beneficial and economically feasible redevelopment, and improve the effectiveness and predictability of the current development rights system in TRPA's jurisdiction.

Scope of Work

The scope of work consists of an evaluation of the development rights (a.k.a., commodities), timing (a.k.a. allocations), and the transfer of development rights (TDR) sections of the TRPA Code of Ordinances. This may include examining alternative systems that implement existing Regional Plan policies while considering existing development rights (a.k.a. commodities). Affordable housing and vacation rentals will be addressed only in terms of the requirements related to the quantity and type of development rights and allocations. A comprehensive affordable housing strategy (e.g., new/different types of housing, preservation strategies, land use and regulatory changes, etc.) and a complete review of vacation rental requirements (e.g., permitting requirements, transient occupancy tax, enforcement, local regulations on noise, garbage, parking, etc.) are beyond the scope of this initiative.

Background

There are a number of concerns with the existing TRPA development rights system. A significant number of reports and related information obtained sources before the Stakeholder Assessment was prepared (e.g., the Commodities Action Plan prepared by TRPA with the Tahoe Prosperity Center, the Placer County Barriers to Redevelopment reports, the City of South Lake Tahoe economic development report, etc.), the Stakeholder Assessment completed for this project, and subsequent reports (e.g., Truckee North Tahoe Regional Workforce Housing Needs

Assessment) have identified concerns with the TRPA development rights and transfer of development rights system. Typical concerns can be summarized as:

- Environmentally beneficial redevelopment projects have a major disadvantage in attracting investment compared to similar projects just outside of the Tahoe Region because those outside of the Region do not have similar development rights requirements.
- The development rights system is very complex, hard to understand, and it is difficult to obtain the necessary information.
- The different types of development rights (TAUs, CFA, and Residential Units) do not allow the mix of development to change as the market changes, resulting in an oversupply of some types of development rights and a shortage of others.
- The distinction between the different types of development rights is not consistent with plans for mixed use development in Town Centers.
- The cost of development rights contributes significantly to the cost of housing, making the lack of affordable housing an even bigger problem.
- The proliferation of vacation home rentals has rendered the TAU development right meaningless.
- The fact that local governments often require an exaction or can veto the transfer of development rights from their jurisdiction makes the system even more costly and unpredictable.

Typical Planning Framework

To provide context for the role of development rights system in the Tahoe Region, the “typical” planning framework found in most other parts of the country is outlined below in a conceptual chart.

As the graphic on the next page shows, the typical framework uses a population and employment forecast to determine the amount and type of uses that are needed to satisfy demand. This is further refined by identifying the sensitive lands that must be protected due to development constraints (floodplains, high slope areas, soils, etc.).

Once the amount of land needed for population, employment, and protection of sensitive areas is known, these land uses are arranged spatially to create a land use plan. These uses may be defined in terms of categories like industrial, residential, open space, etc.; in categories like town center, neighborhood, conservation, etc.; or in transects like those in form based codes.

These land use plans are typically one of many elements in the comprehensive, general or master plan (the term used depends on the state statute). Other typical elements of the plan are conservation, transportation, public services and facilities, etc. Comprehensive, general, or

master plans may also include smaller area plans often referred to as area, center, sector, neighborhood, district, specific, precise, etc. plans.

The code implements the plan by guiding private development and typically covers five subject areas:

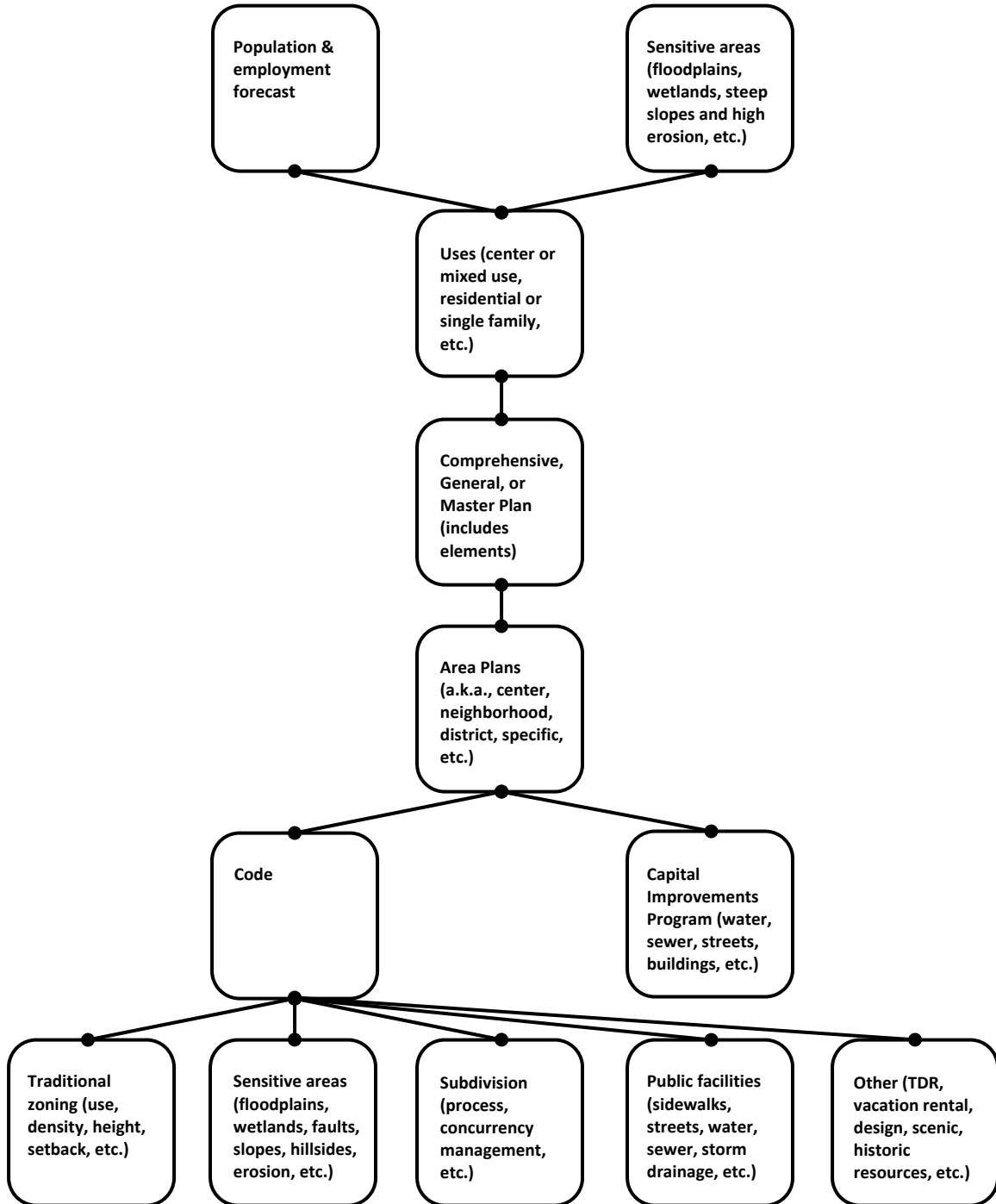
1. Traditional zoning – allowed types of uses, density, height, setbacks, etc.
2. Critical areas – restrictions where there are floodplains, wetlands, fault zones, hillside/slope/erosion areas, impervious soils, etc.
3. Subdivision – the process for division of larger parcels into smaller parcels, right-of-way and easement dedication requirements, infrastructure dedication and timing, etc.
4. Public facilities standards – these include standards for the public works that are provided with projects (e.g., street width and typical cross sections by type of street, sidewalk width and parkway planting, water supply and fire flow requirements, etc.).
5. Other – these can include topics such as transfer of development rights (TDR), vacation rental restrictions, design, scenic/ridgeline standards, historic resources protection, etc.

The capital improvements program implements the plan by making public investments (sanitary sewer interceptors, freeway and light rail extensions, etc.) that support development and redevelopment.

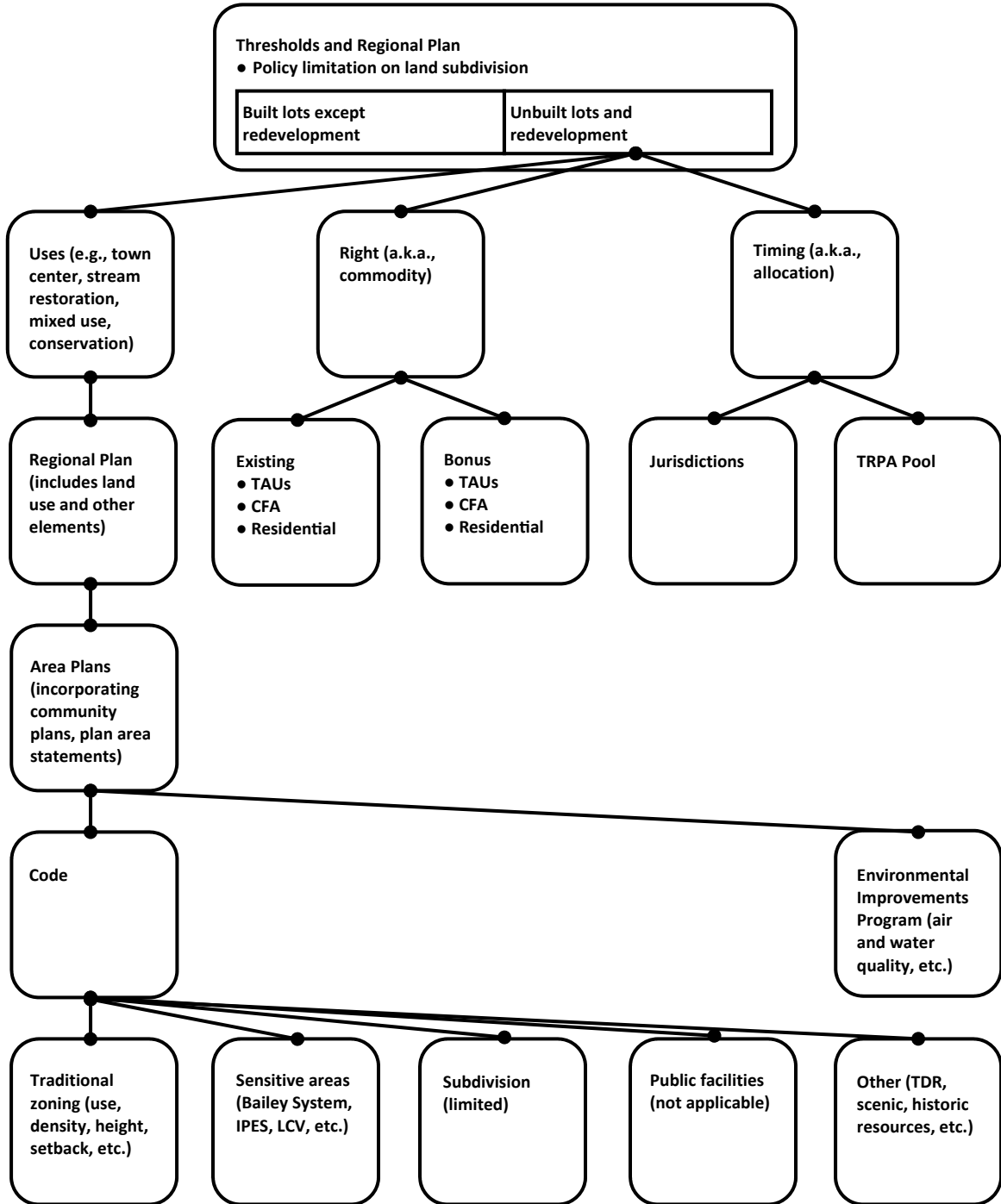
The TRPA thresholds and Regional Plan policy limitation on land subdivision is to prevent the creation of new development potential. This is in contrast with a typical jurisdiction which would allow subdivisions consistent with their land use plan in order to accommodate the growth expected based on the population and employment forecast. To implement this limit on land subdivisions in a legally defensible manner, mechanisms to manage the amount, type and timing of development were created. In addition to uses which are primarily determined by demand, the available development rights (tourist accommodation, commercial, and/or residential) and the allowed pace or timing of development (allocations) must be considered.

Similar to many comprehensive, general or master plans in the typical framework, the TRPA Regional Plan includes both elements and smaller geographic area plans (community plans, plan area statements, area plans).

Typical Planning Framework



TRPA Planning Framework



In comparison to the typical framework, the TRPA code is different in three major areas:

1. Critical areas – TRPA has created unique regulatory systems (Bailey, IPES, land capability verifications) with similar objectives to typical regulations (wetlands, erosion control, geotechnical assessments, etc.).
2. Subdivision – TRPA has only limited subdivision options which apply when there are multiple units on a single parcel.
3. Public facilities standards – TRPA has not had a significant role in public facility design standards.

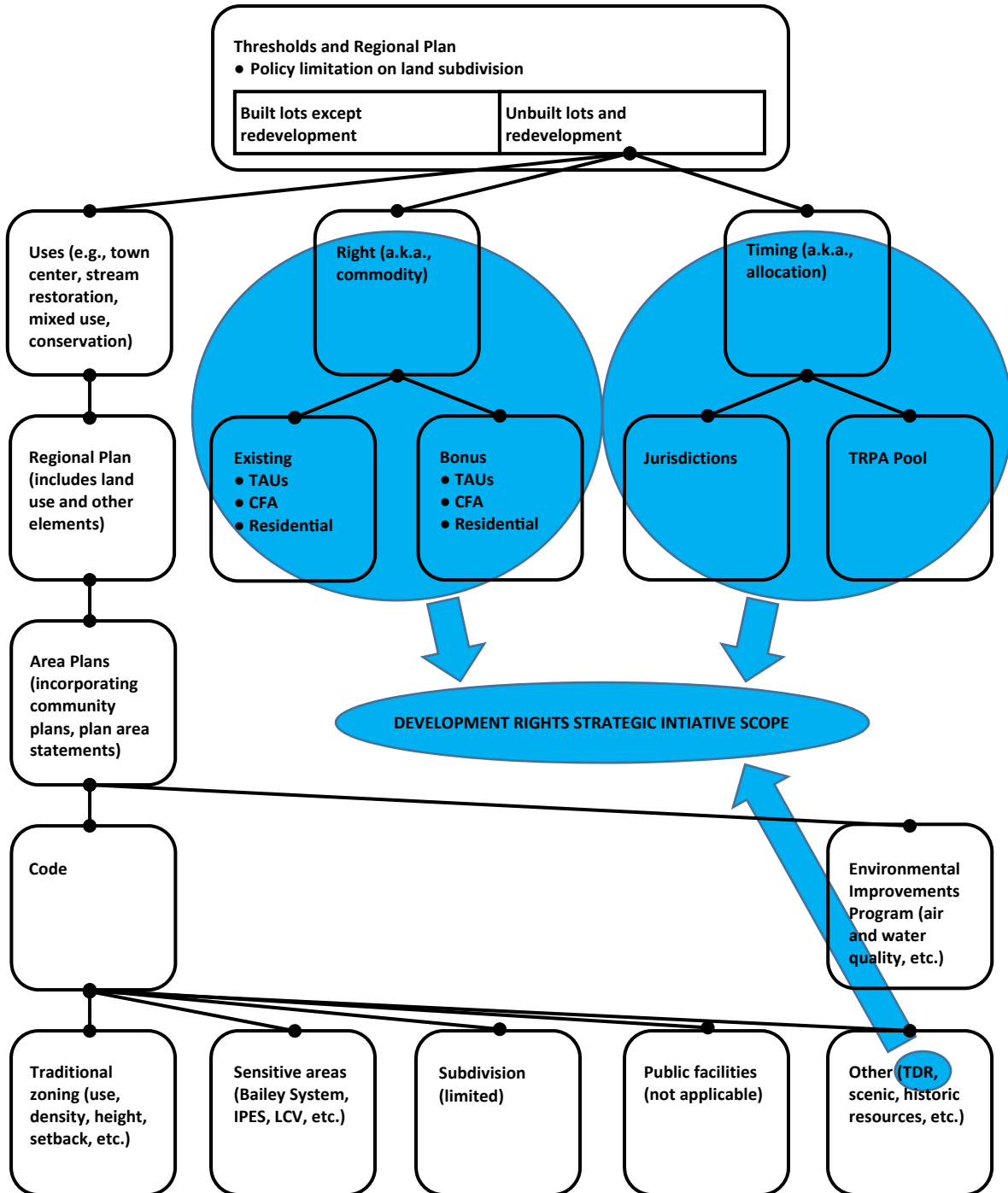
The Environmental Improvement Program, which is intended to implement the Regional Plan and maintain and attain thresholds, is the capital improvements program for the Lake Tahoe Region.

Development Rights Strategic Initiative Scope of Work

The scope of the Development Rights Strategic Initiative (DRSI) has purposefully been limited to the development rights and timing components of the framework that are unique at TRPA vis-à-vis the typical planning framework. Those are highlighted in the graphic on the previous page and consist of rights (a.k.a., commodities), timing (a.k.a. allocations), and the transfer of development rights (TDR) sections of the TRPA Code of Ordinances for unbuilt lots, built lots, and redevelopment.

Other components related to development rights (e.g., affordable housing, vacation home rentals) have been suggested for inclusion by some. These two components will be addressed in terms of the requirements related to the quantity and type of development rights and allocations. A comprehensive affordable housing strategy (e.g., new/different types of housing, funding programs, preservation strategies, partnership initiatives, land use and regulatory changes, etc.) and a complete review of vacation rental requirements (e.g., permitting requirements, transient occupancy tax, enforcement, local regulations on noise, garbage, parking, etc.) are beyond the scope of this initiative.

Scope of Work



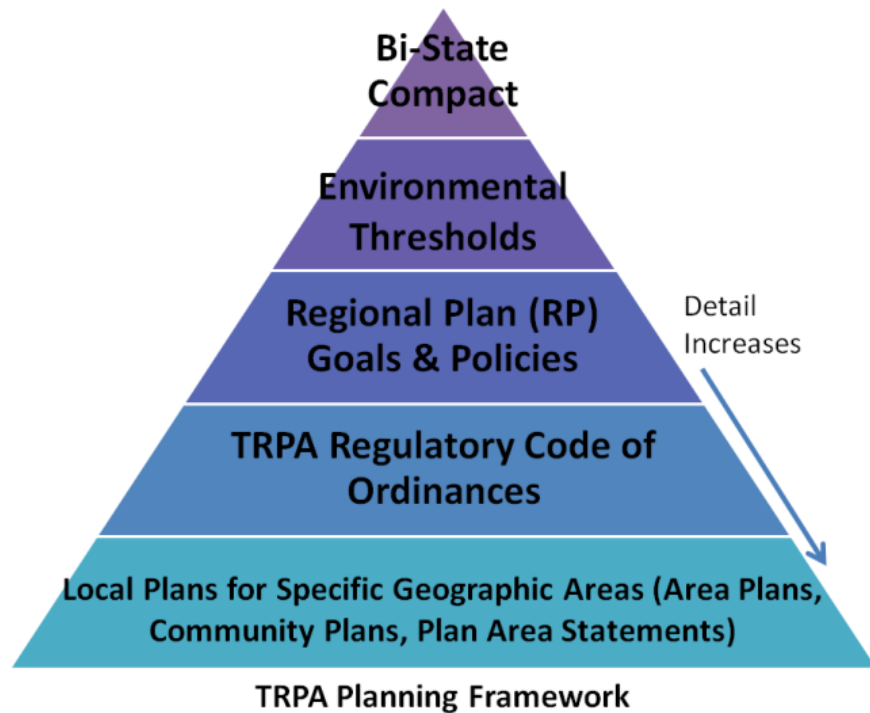


Factsheet #7: Summary of Current Regional Level Development Rights Goals, Policies, and Regulations

Introduction

A summary of the currently adopted goals, policies and regulations regarding development rights (a.k.a., commodities) inventory, timing (a.k.a. pace of development and allocation of development rights), and the transfer of development rights is provided in this factsheet. The relevant tiers of plans are: the Lake Tahoe Regional Plan, the TRPA Code of Ordinances, and the local plans and code for specific geographic areas dispersed throughout the region. As shown in the TRPA planning framework chart below, these plans and code have a unique role and are intended to work together in an integrated system of regional and local government planning that entails different levels of detail and specificity.

- **The Regional Plan (RP)** broadly describes the goals and policies to guide decision making to attain and maintain the adopted threshold standards.
- **The Code of Ordinances (Code)** provides more detail by including all of the ordinances (a.k.a., regulations) needed to achieve the goals and implement the policies associated with the Regional Plan. Primarily, Code Chapters 50 through 52 outline the regulations to manage the timing or pace of development, amount, and location of growth and development that



may occur within the Tahoe region.

- **The local level plans (Local Plans)** consist of adopted Area Plans, Community Plans, and Plan Area Statements throughout the region. Local plans allow for planning that is responsive to the unique circumstances of communities. These local plans provide geographic specific detail on the zoning (density), permissible uses (what is allowed by right or through a special use permit), and development and design standards for the region, in compliance with the Code regulations. The Code provides guidance on Local Plan policy compliance, what provisions these local plans should cover (particularly in Code Chapters 11-13), and the rules regarding amendments.

The following summary broadly synthesizes the regional level goals, policies, and regulations in these plans and code that are associated with the allocation of development, transfer of development, and bonus unit incentives.

Allocation of Development

In the Lake Tahoe Region, the allocation of development rights and their timing of release are primarily outlined in the Regional Plan and Code regulations. Code Chapter 50 provides the rules governing the rate and timing of growth within the region, including standards for awarding and distributing residential and commercial units for development. Some of the local plans have incentive type policies in place related to allocating development rights (commodities) using their respective local jurisdiction supplies of development rights.

Maximum Amount of Development and Rate of Release

The maximum amounts of residential allocations, commercial floor area, tourist bonus units, and residential bonus units that may be released before December 31, 2032 are provided in the table that is part of Regional Plan Policy DP-2.2, in an identical table provided in Code Section 50.4, and as shown here. Policy DP-2.2 essentially sets forth new construction limitations and a numerical cap on all of the units.

In addition, the timing and rate for release of residential allocations (to each local jurisdiction within the Lake Tahoe Region) and commercial floor area is based on their compliance with level of service standards and performance towards environmental

Regional Plan Policy DP-2.2 Table

ALLOCATION AND DEVELOPMENT RIGHTS ACCOUNTING ⁴			
ALLOCATIONS/ DEVELOPMENT RIGHTS	USED 1987-2012	REMAINING FROM 1987 PLAN ¹	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.
Note 4: The columns "Used 1987-2012" and "Remaining from 1987" are estimates and not regulatory

improvements. Policy DP-2.2 and Code Section 50.4.2-3 allow for TRPA to release up to 20 percent of the 2013 residential and commercial land use allocations every four years. Policy DP-2.3 calls for the Code to use a system based on performance towards environmental improvements for the rate of release. Below is a brief description of the performance based allocation systems for Residential Allocations and Commercial Floor Area as outlined in the Code.

- In total, 2,600 Residential Allocations were added during the 2012 Regional Plan amendments and these are released to the local jurisdictions every two years by TRPA. The number of units released is based on a performance review system (Policy DP-2.3). Pursuant to Code Section 50.5.1, each jurisdiction is evaluated on its effectiveness in implementing water quality improvement programs to reduce Total Maximum Daily Load as well as permit monitoring and compliance provisions. Factsheets #1 and #5 provide additional detail regarding the residential allocation system: www.trpa.org/about-trpa/how-we-operate/strategic-plan/development-rights/
- The 2012 amendments to the Regional Plan included the addition of 200,000 square feet of CFA; though it will only be made available after the CFA allocated in the TRPA-Special Project and CEP Pool from the 1987 RP is exhausted (additional detail in Code Table 50.4.1-1).

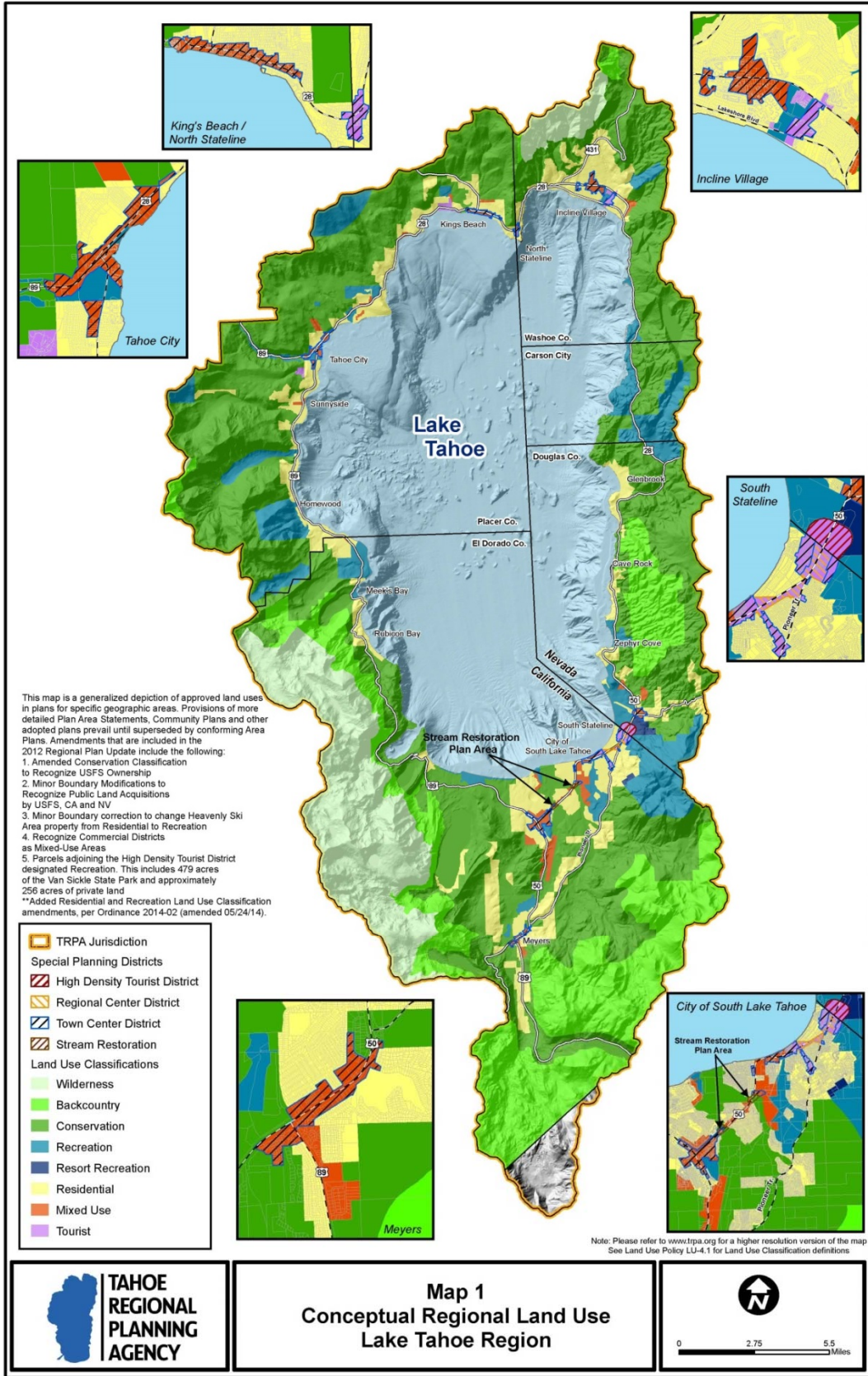
Land Use Limitations and Allocation of Development

Land use limitations associated with the allocation of development are outlined in the Regional Plan, Code, and Local Plans. In general, the amount and location of new land uses need to be in conformance with the environmental threshold standards and other goals of the Bi-State Compact (Goal LU-2). Limitations are expressed in land use regulations such as zoning (density

allowances by land use categories or areas), use limitations, floor area limitations, and allocation limits (Policy LU-2.1).

The broad classifications of land uses included in the Regional Plan and Code are wilderness, backcountry, conservation, recreation, resort recreation, residential, mixed use, and tourist. In addition to these land uses, the Regional Plan land use map on the next page identifies a High Density Tourist District, a Regional Center District, and Town Center Districts which are targeted for sustainable redevelopment (Policy LU-4.1). However, the Regional Plan does not provide related zoning information.

Local plans (i.e. area plans, community plans, and plan area statements) provide detail on density allowances for different development (zoning), development standards, and permissible land uses in specific geographic locations. As shown on the map following the Regional Plan land use map, there are 183 local plans in total that cover the Tahoe Region portions of the local jurisdictions, including Carson City, NV; Douglas County, NV; Washoe County, NV; the City of South Lake Tahoe, CA; El Dorado County, CA; and Placer County, CA.



This map is a generalized depiction of approved land uses in plans for specific geographic areas. Provisions of more detailed Plan Area Statements, Community Plans and other adopted plans prevail until superseded by conforming Area Plans. Amendments that are included in the 2012 Regional Plan Update include the following:

1. Amended Conservation Classification to Recognize USFS Ownership
2. Minor Boundary Modifications to Recognize Public Land Acquisitions by USFS, CA and NV
3. Minor Boundary correction to change Heavenly Ski Area property from Residential to Recreation
4. Recognize Commercial Districts as Mixed-Use Areas
5. Parcels adjoining the High Density Tourist District designated Recreation. This includes 479 acres of the Van Sickle State Park and approximately 256 acres of private land

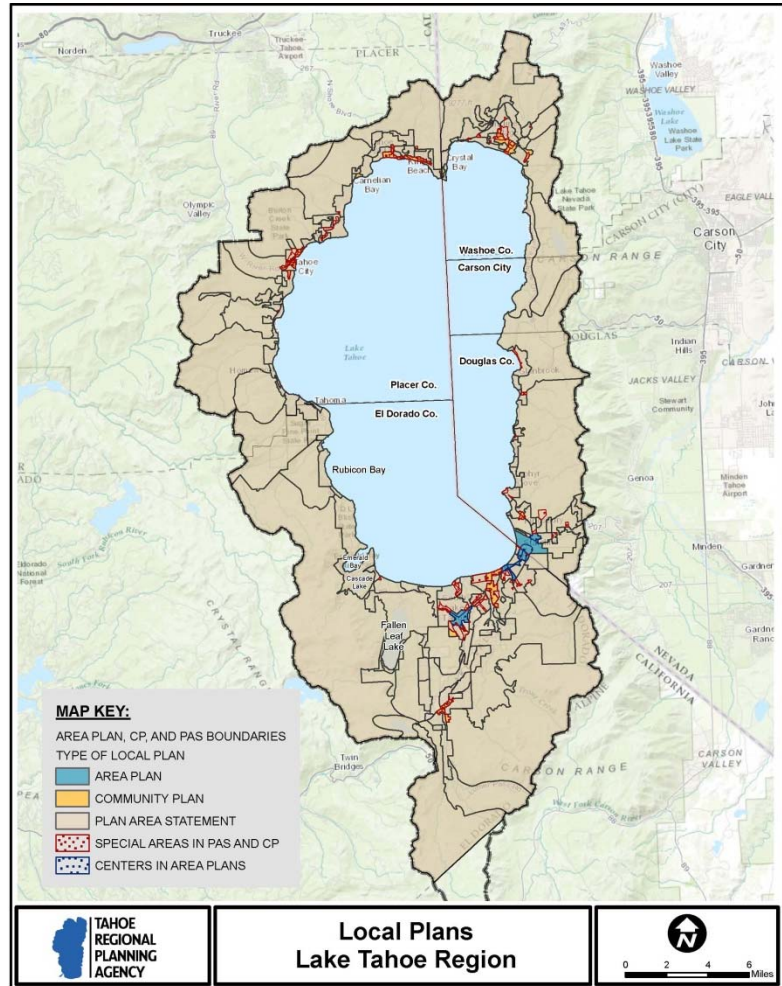
**Added Residential and Recreation Land Use Classification amendments, per Ordinance 2014-02 (amended 05/24/14).

Note: Please refer to www.trpa.org for a higher resolution version of the map. See Land Use Policy LU-4.1 for Land Use Classification definitions.

TRPA MAP DISCLAIMER: This map was developed and produced by the TRPA GIS department. It is provided for reference only and is not intended to show map scale accuracy or all inclusive map features. The material on this map was compiled using the most current data available, but the data is dynamic and accuracy cannot be guaranteed. Document Path: F:\GIS\MXDS\Regional Plan Update\Jan2014\Recreated\Map1_ConceptualRegLandUse_may2014amendment.mxd

To date, three area plans have been adopted including the South Shore Area Plan in Douglas County and the Tourist Core Area Plan and Tahoe Valley Area Plan in the City of South Lake Tahoe. Additional area plans are undergoing development (detail is provided at:

www.trpa.org/regional-plan/area-plans/). As outlined in the 2012 Regional Plan amendments, the area plans will supersede the remaining 13 Community Plans and 167 Plan Area Statements and consolidate these plans and the estimated 273 different zoning areas. The intent of the area plan system is to consolidate layers of overlapping requirements, simplify complexity, and allow other regulatory agencies (primarily local jurisdictions) to implement the Regional Plan policies at a small scale along with their local policies. This is achieved through Memoranda of Understanding (MOUs). Unless modified through an area plan, Code Chapters 20 and 21 include detailed lists, definitions, and standards for permissible primary and accessory land uses; and the standards for uses, structures, and activities of limited duration.



Divisions of Land

In the Lake Tahoe Region, no new divisions of land or subdivisions of parcels are allowed which would create new development potential (Policy LU-2.2). Exceptions to this rule mostly relate to divisions needed for conveying land to public entities, creating cemeteries, complying with federal or state court orders, adjusting lot lines in a way that does not increase development potential, previously approved projects, and facilitating transfer projects. Code Chapter 39 further details subdivision limitations, allowances, and standards.

Another relevant goal is to provide a distribution of land uses that ensures the social, economic, and environmental well-being of the Region while attaining and maintaining threshold standards (Goal LU-3). Development is preferred in centers (Policy LU-3.3), may remain in existing residential areas outside of Centers (Policy LU-3.4), and is discouraged from endangering the public health, safety, and welfare and sensitive remotely located parcels (LU-

3.2 and 3.5). In addition, (re)development should be managed consistently to make progress towards thresholds attainment (RP Goal DP-2).

The following factsheets provide additional relevant detail related to the allocation of development:

- Factsheet #1 provides the inventory of unused development rights (a.k.a., commodities): www.trpa.org/about-trpa/how-we-operate/strategic-plan/development-rights/ (scroll to Factsheet #1)
- Factsheet #3 highlights the tourist lodging unit rules related to the allocation of development: www.trpa.org/about-trpa/how-we-operate/strategic-plan/development-rights/ (scroll to Factsheet #3)
- Factsheet #4 outlines the commercial unit rules related to the allocation of development: www.trpa.org/about-trpa/how-we-operate/strategic-plan/development-rights/ (scroll to Factsheet #4)
- Factsheet #5 summarizes the residential unit rules related to the allocation of development: www.trpa.org/about-trpa/how-we-operate/strategic-plan/development-rights/ (scroll to Factsheet #5)

Transfer of Development Rights (TDR) and Bonus Units Incentives

As shown in the adjacent box, various Regional Plan policies aim to encourage the transfer of development rights and existing development from environmentally sensitive land, particularly stream environment zones areas and/or areas that would improve water quality (SEZ-1.8, WQ-1.4, and DP-2.3), into designated Town/Regional Centers that are more suitable for development. A key mechanism to encourage the transfer of development from environmentally sensitive and/or remote areas is awarding bonus units (or additional development potential) for a transfer of development meeting certain criteria (LU-3.6-7 and Code Section 51.5).

Key TDR and Bonus Unit RP Goals/Policies:

- Prioritize redevelopment and rehabilitation of existing Town Centers and the retirement or restriction of development and restoration on sensitive land (LU-1.2 and 3.8, DP-3.6).
- Discourage development in environmentally sensitive lands and areas furthest from non-residential support services (LU-3.5).
- Encourage transfers of existing tourist lodging, residential, and commercial development and residential development rights into designated areas (DP-3.1 through DP-3.3).
- Residential permit allocation system shall permit the transfer of building allocations from sensitive parcels to more suitable parcels (DP-3.5).
- Encourage consolidation of development and restoration of sensitive lands through TDR (Goal DP-3).
- Development should be directed towards Centers that have ideal characteristics such as existing or planned transit, infill and redevelopment opportunities, and a concentration of non-residential and mixed use development (LU-3.3).
- Retain development allocations and residential bonus units to promote the transfer of development rights from sensitive lands and outlying residential areas to Centers (LU-3.6-7).

Residential bonus unit incentives may also be awarded for affordable housing for low to very low income households (RP HS-1.1). The RP encourages local governments to assume their “fair share” of the housing responsibility and encourages local jurisdictions to locate affordable and workforce housing nearby Town Centers, services, and transit (RP HS-1.2 and HS-1.4).

In addition to bonus units, the Regional Plan promotes the protection of environmentally sensitive lands by supporting acquisition by land banks and other public entities (SEZ-1.8).

Additional detail is provided in the following factsheets and Code sections:

- Factsheet #2 provides additional detail regarding the transfer of development programs and conversions of different development rights (a.k.a., commodities): www.trpa.org/about-trpa/how-we-operate/strategic-plan/development-rights/ (scroll to Factsheet #2).
- Factsheet #3 outlines tourist bonus unit basics: www.trpa.org/about-trpa/how-we-operate/strategic-plan/development-rights/ (scroll to Factsheet #3)
- Factsheet #4 outlines commercial bonus unit basics: www.trpa.org/about-trpa/how-we-operate/strategic-plan/development-rights/ (scroll to Factsheet #4)
- Factsheet #5 outlines residential bonus unit basics: www.trpa.org/about-trpa/how-we-operate/strategic-plan/development-rights/ (scroll to Factsheet #5)
- Code Chapter 51 includes the detailed provisions for the transfer of residential development rights, residential allocations, and existing development from one parcel to another.
- Code Chapter 52 includes the standards for assigning multi-residential and tourist accommodation bonus units in accordance with the Goals and Policies of the Regional Plan.

MEMORANDUM

Date: October 25, 2016
To: Development Rights Working Group
From: TRPA Staff
Subject: Summary of Reported Challenges with Tahoe Development Rights/Commodities Program (Agenda Item VI A)

At the September 7, 2016 Development Rights Working Group meeting, Working Group members who have not been previously involved with this initiative asked TRPA staff to describe the challenges with the existing development rights system in Tahoe. This memorandum provides an overview of a number of the reports and other materials that have been produced over the last few years which have articulated concerns with the TRPA development rights (commodities) and transfer of development rights system.

During the 2012 Regional Plan Update, TRPA engaged both AECOM and BAE consultants to perform unbiased analyses of proposed policy changes to the development rights system. The two studies used different methodologies. While both studies predicted that the proposed policies related to development rights would improve the financial feasibility of projects by decreasing the cost per unit, there were concerns that the program incentives were still not high enough to trigger transfers and redevelopment. These two analyses are included as appendixes to the Development Commodities Transfer Policies Analysis which was completed as part of the grant funded Lake Tahoe Sustainable Communities Program. That document can be found at: http://laketahoesustainablecommunitiesprogram.org/wp-content/uploads/2014/09/7-0-Development-Commodities-Transfer-Policies-Analysis_FINAL.pdf.

In 2014 TRPA, with consultant support from AECOM, also completed an Economic Development Strategy as part of its Lake Tahoe Sustainable Communities Program. The Action Plan in that document recognized the need to revisit and address deficiencies with the current development rights system. Since this report, TRPA has begun implementing many of the recommendations including improved tracking, establishing a regional commodities pool, and education about the system. A description of the grant funded improvements to the tracking system can be found in the Sustainable Communities Program document at: <http://laketahoesustainablecommunitiesprogram.org/wp-content/uploads/2014/09/8.0-DCTES-Final.pdf>. Many of the Working Group members have seen this system demonstrated as part of LT Info.

Both the Development Rights Strategic Initiative and the Welcome Mat Initiative implement other recommendations from the Economic Development Strategy. The Tahoe Prosperity Center's Land Development Commodities Action Plan and two background documents prepared by TRPA and AECOM are also included as appendixes to the Economic Development Strategy. Much of the information from the Economic Development Strategy and appendixes was used in preparing the Development Rights Strategic Initiative Work Program and Factsheets. The Economic Development Strategy and appendixes can be found at: http://laketahoesustainablecommunitiesprogram.org/wp-content/uploads/2014/09/9-0-Economic-Development-Strategy_FINAL.pdf .

Most recently, in 2016, Placer County hired Economic Planning Systems, Inc. to study the redevelopment potential and economic development incentives for North Lake Tahoe. The report found a number of barriers to realization of economic development, including the high cost and development risk involved with the development rights system. The Placer County EPS reports can be found and downloaded at: www.placer.ca.gov/~media/ceo/tahoe/documents/2015-02-24-BOSHearing-Incentives-N-LakeTahoe-Town-Ctrs.pdf .

In summary, the key findings of the above analyses were as follows:

- Environmentally beneficial redevelopment projects have a major disadvantage in attracting investment compared to similar projects just outside of the Tahoe Region because those outside of the Region do not have similar development rights requirements and unpredictable costs associated with acquiring the needed development rights.
- The different types of development rights (TAUs, CFA, and Residential Units) do not allow the mix of development to change as the market changes, resulting in an oversupply of some types of development rights and a shortage of others.
- There is limited market information available on the price and availability of CFA, which can add costs to acquiring CFA as it will likely require a consultant to locate and negotiate for these rights. These activities increase the cost of transactions requiring CFA, and overall costs for commercial development. In addition to the costs of CFA acquisition, allocations of CFA throughout the planning area have been seen as a barrier to higher-quality commercial development because they are allocated in ways that limit the ability to move CFA between community plans and across hydrologically-related area borders.
- The limitations related to accessing residential units is not responsive enough to market demands from communities.
- Because the TAU inventory, particularly on the South Shore, is comprised of old and/or low-quality development, removing or redeveloping these sites in compliance with environmental requirements, such as storm water BMPs, is likely to be costly.

- Because of prohibitive project economics, few projects can absorb the simultaneous impact of TAU acquisition, up-front fees, potential infrastructure needs such as parking, and the cost of other commodities that may be needed (Coverage, Commercial Floor Area).
- The lack of central commodity banks, and a fundamental lack of buy-in or understanding that the commodities should be accessible as a basin-wide resource to incentivize redevelopment that makes environmental gains throughout the Basin and as targeted under the TRPA regional plan, makes identifying and purchasing commodities both difficult and risky.

One older, but still relevant report, Tahoe Basin Marketable Rights Transfer Program Assessment, was identified by one of the consultants considering our current request for proposals. It was funded by the David and Lucile Packard Foundation and the William and Flora Hewlett Foundation, and prepared in 2003 by the Solimar Research Group for the League to Save Lake Tahoe. It can be found at: <http://www.solimar.org/pdf/tahoerights.pdf> .

Contact Information

If you have questions regarding this information, please contact Rebecca Cremeen, Associate Planner, at (775) 589-5214 or rcremeen@trpa.org, Jennifer Cannon, AICP, Senior Planner, at (775) 589-5297 or jcannon@trpa.org, or John Hester, AICP, Chief Operating Officer, at (775) 589-5219 or jhester@trpa.org

AGENDA ITEM VI B – PRESENTATION ONLY, NO MATERIALS
LEGAL ANALYSIS OF DEVELOPMENT RIGHTS STRATEGIC INITIATIVE

MEMORANDUM

Date: October 25, 2016
 To: Development Rights Working Group
 From: TRPA Staff
 Subject: Criteria and Goals for Evaluating Alternatives (Agenda Item VI C)

Requested Action

Discuss and approve the Development Rights Strategic Initiative goals and criteria to be used in the evaluation of alternatives.

Summary

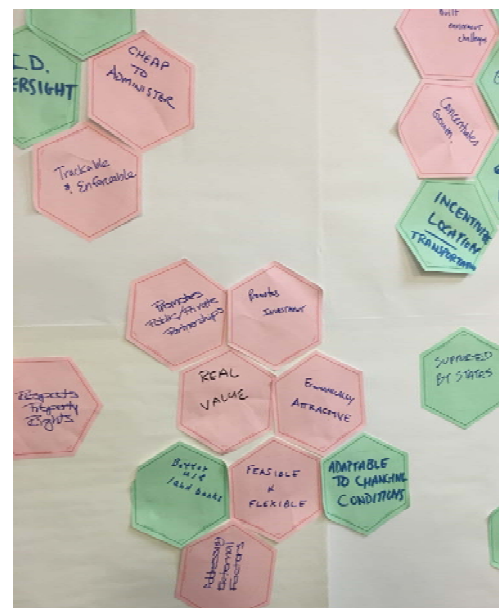
At the September 7, 2016 working group meeting participants provided input for staff to draft goals and criteria that will ultimately be used to evaluate development rights system alternatives. At this meeting the working group members are being asked to discuss, potentially revise, and approve the draft goals and criteria.

Recommended Criteria and Goals for the Evaluation of Alternatives

During the last working group meeting, staff facilitated the identification of criteria that should be used to evaluate development rights system alternatives. Each working group member was asked to contribute ideas which were then clustered into themes.

Following the meeting, TRPA staff utilized the results of the exercise to create required legal criteria and distinct goals and criteria shown below. The objective of this meeting will be to discuss and agree upon the goals and criteria. The next steps will include best practices research, comparison of best practices to the goals and criteria, and development of alternatives.

The attached page with Required Legal Criteria and the five pages with Goals and Criteria will be presented page-by-page and used to guide working group discussion and revisions. Direct input from the working group on desired criteria is shown in the left column with proposed criteria and prioritization on the right.



Contact Information

If you have questions regarding this item, please contact Jennifer Cannon, AICP, Senior Planner, at (775) 589-5297 or jcannon@trpa.org or John Hester, AICP, Chief Operating Officer, at (775) 589-5219 or jhester@trpa.org.

REQUIRED LEGAL CRITERIA	
Working Group Input	Refined Criteria
Avoids “takings”	Respects the legal rights of holders of development rights if program is modified (4.1).
	Does not result in potentially significant environmental impacts necessitating an EIS.

GOAL 1. PROVIDES ENVIRONMENTAL BENEFIT	
Working Group Input	Proposed Criteria
Provides Environmental Benefit Provides Environmental Gain Upholds Compact	1.1 Does not increase overall development potential in Region.
	1.2 Supports removal of development in sensitive areas.
	1.3 Supports relocating development to town centers.
	1.4 Retains and encourages town center development that is environmentally beneficial.

GOAL 2. CONCENTRATES GROWTH	
Working Group Input	Proposed Criteria
Incentivize location/transportation	2.1 Encourages mixed use development in town centers.
	2.2 Promotes development in town centers and/or near transit.
	2.3 Supports a range of housing opportunities in centers and/or near transit.

GOAL 3. PROMOTES INVESTMENT IN TAHOE	
Working Group Input	Proposed Criteria
Actively used	3.1 Demonstrated success in implementation.
Adaptable to changing conditions	3.2 Adaptable to changing market conditions.
Feasible and flexible	3.3 Provides flexibility in implementation approach e.g. conversions and transfers.
	3.4 Process is consistent and predictable.
Addresses external factors	3.5 Reduces or eliminates permitting, processing and other extraneous costs to the applicant.
Has real value	3.6 Does not result in artificial inflation of the cost of development rights.
Promotes Public/Private Partnership	3.7 Can include funding or other types of resources from both public and private parties.
Better (Promotes) use of land banks	

GOAL 4. SUPPORTED BY COMMUNITY	
Working Group Input	Proposed Criteria
Respects property rights	4.1 Respects the legal rights of holders of development rights if program is modified.
Honors the past	4.2 Protects previous investments made under current system.
Accelerates positive change	4.3 Includes streamlined process for permitting environmentally beneficial transfers and conversions.
	4.4 Includes streamlined process for transfers and conversions for mixed use in town centers.
	4.5 Includes streamlined process for transfers and conversions for workforce housing.
	4.6 Demonstrates success in implementation e.g. a substantial volume of conversions and transfers.

GOAL 5. SUPPORTED BY LOCAL AND STATE GOVERNMENT	
Working Group Input	Proposed Criteria
Identify Oversight	5.1 Responsible agencies and roles are clearly identified. Regional control on caps, conversions and transfer criteria remains with TRPA; control of location of different types of uses (tourist and vacation home rental uses, retail uses, residential uses) remains with local governments.
Cheap to Administer	5.2 Easy to implement and administer.
Trackable and enforceable	5.3 Includes real time, publicly accessible, user-friendly tracking and reporting mechanism.
	5.4 Includes a financially and legally feasible method of enforcement.

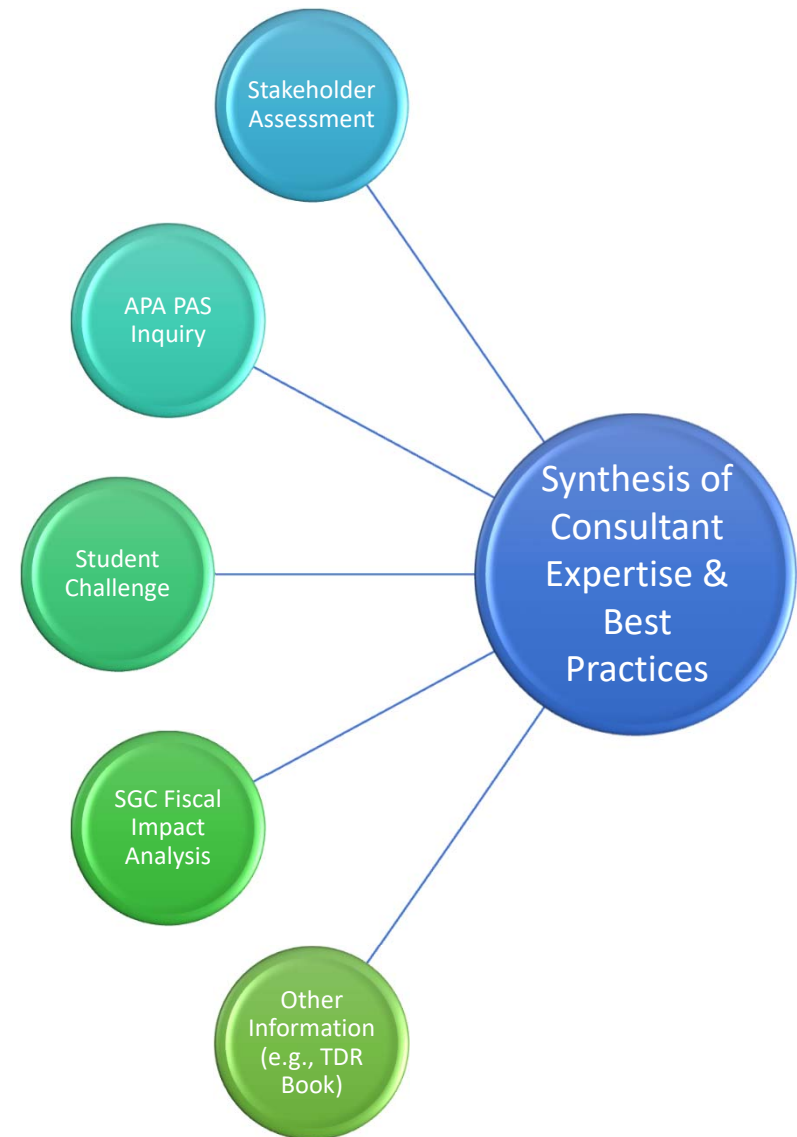
AGENDA ITEM VI D – BEST PRACTICES RESEARCH PLAN

Attached:

- Best Practices Research Plan Slide
- Background on the approved Strategic Growth Council (SGC) Fiscal Impact Analysis – Technical Assistance Proposal. TRPA staff submitted this proposal for the Proposition 84 Sustainable Communities Planning and Monitoring program.
- Request for Proposals, Development Rights Strategic Initiative Consulting Services

Best Practices Research Plan and Next Steps

- **Synthesis of Consultant Expertise & Best Practices**
- **Comparison to Criteria**
- **Generation of Alternatives**



Last May, the Strategic Growth Council invited grantees to attend a workshop on fiscal impact analysis. As mentioned in the workshop invitation and at the June workshops, SGC Sustainable Communities Planning grantees have the opportunity to receive fiscal impact technical assistance.

We are now accepting proposals from SGC Sustainable Communities Planning grantees for third-party technical assistance on fiscal projects.

Overview of technical assistance available: Projecting and evaluating the public costs and potential revenues generated by new development is critical in planning fiscally-sustainable development and growth. *A fiscal impact analysis provides local decision-makers with a cost-benefit evaluation of the short- and long-term fiscal obligations that can be expected from a proposed land use change.* This valuable tool is used in all types of communities to objectively evaluate future land use alternatives, to communicate the costs and benefits of these alternatives to elected officials and the general public, and to make more informed decisions about future growth and its impacts on a community's fiscal health.

A fiscal impact analysis can provide added value to your community by:

- Determining how development/growth affects the provision of public services.
- Projecting how much revenue is generated from new development.
- Identifying if costly new infrastructure is needed to serve future development fully coordinated transportation planning and financial planning.
- Examining what happens to local government revenues and costs due to future development scenarios to test inevitable changes in market and economic conditions.
- Providing information on all of the above to effectively communicate to decision makers, government staff, citizens, and other stakeholders.

SGC is funding TischlerBise— a private consulting firm specializing in and nationally recognized for fiscal impact analysis – to deliver, at no charge, technical assistance to up to six Sustainable Communities Planning grantees over a three to five month period. The goal of this assistance is to support grantees in identifying potential fiscal impacts related to specific planning proposals being considered or currently underway. Grantee proposals are not limited to the activities specified in their Sustainable Communities Planning Grant (SCPG) awarded by the SGC, but proposers must demonstrate a nexus between the planning activities funded in the SCPG and the requested technical assistance.

Recipients of the technical assistance are expected to be highly engaged and interested in understanding the fiscal impact of land use changes and decisions. The analysis is intended to provide technical assistance on fiscal impacts/fiscal sustainability to select SGC grantees that could result in:

- 1) addressing the jurisdiction's questions about the fiscal impacts from changes in land use and infill development; and
- 2) documenting results and sharing the transferability of the findings with other SGC grantees facing similar questions and issues (with project summaries vetted with grantees).

POTENTIAL TYPES OF ASSISTANCE:

Fiscal analysis offered through this grant can take a variety of forms and detail, as described here:

- Cost of Development Audit: This high-level review helps a jurisdiction understand the influence of different types of land uses on public revenues and expenditures (operating and capital); provides a

high-level review of public vs private contributions for infrastructure; reviews and critiques incentives (offered or requested) and other development project-specific fiscal impact questions; and identifies potential other revenue sources or changes to existing revenue sources. *This type of analysis is appropriate for communities starting to think about how land uses affect cost of services and revenue generation. The deliverable is anticipated to be a technical memo and public presentation.*

- Cost of Land Use Fiscal Impact Study: This type of study evaluates individual land uses (e.g., single family house, multifamily apartment) to determine the revenues generated and costs incurred for each land use. This type of evaluation is a fiscal impact snapshot of a list of land uses to determine the extent to which different types of land uses pay for themselves. *This type of analysis is appropriate for communities who have already started to think about fiscal impacts of development and would like to gain a better understanding of the types of land uses that pay for themselves and those that do not. The deliverable is anticipated to be a report and public presentation.*
- Fiscal Impact Analysis of Land Use Scenarios: This detailed analysis assesses the fiscal impact of long-term growth, a mix of land uses in a sub-area of a community, or a major development project. This type of study can compare and contrast scenarios with a range of assumptions such as a different mix of land uses, phasing of construction, and/or property values, for example. *This type of analysis is appropriate for communities who have a good understanding of fiscal impact analysis and have a desire to more fully evaluate the fiscal impacts of general growth, a major development project, or small area plan. Communities interested in this type of assistance should have sufficient detail on growth projections, small area plan, or a development project for contractor to develop the baseline land use scenario. The deliverable is anticipated to be a report and public presentation.*

PROBABLE OUTCOMES:

- Grantees will better understand the connection between land use decisions and fiscal conditions—revenue generation, and costs to provide services and infrastructure—as each relates to new development in their community.
- Grantees will be able to communicate those findings to elected officials and community at large.
- Grantees will be able to transfer the findings/understanding to future situations, resulting in continued dialogue about the fiscal impacts from land use changes.

EXPECTED ROLE OF GRANTEE

- Coordination of Work: Should project be selected, the grantee and consultant shall work to develop a scope of work for the fiscal analysis. SGC and DOC will work with the grantee and consultant to ensure expectations are established for process and deliverables.
- Time Commitment/Meetings: In addition, grantees will be expected to meet with the consultants both in-person (minimum of one meeting) and by conference call as needed. It is expected that director- or deputy-level staff will be involved with the project with regular briefings made to the chief executive (dependent on the locality's organizational structure). Contractor will be responsible for making presentations to the legislative body. Specific staff time commitment will depend on the type/level of assistance provided, however the amount of time anticipated to be expended by the grantee point of contact/project manager is an average of approximately 1 to 2 hours a week with other staff providing significantly less time.
- Information/Data Needs:
 - At the beginning of the technical assistance effort, TischlerBise will work with the grantee to identify, refine, and summarize the question(s) to be addressed by the fiscal analysis.

- Typically readily available data about the community and/or the proposed project is used for the analysis. For example, data on the community such as current population, number of jobs, household sizes, and average property values is typically available from the locality or state/federal sources. For a fiscal impact analysis of a development proposal, the grantee will be expected to provide specifics about the development program (which likely can be obtained from the developer). No significant data analysis will be expected from the grantee. For information that is not readily available, TischlerBise will identify alternative sources and methodologies.
- Timeline: work is expected to start by October 2016 and be completed no later than April 2017.

If you are interested, please complete the attached interest form by **September 15th**. For more information, please contact your Department of Conservation Grant Manager or SGC's liaison, Elizabeth Grassi, at (916) 327-5362 or elizabeth.grassi@sgc.ca.gov.

We look forward to hearing from you!

With kind regards,



Elizabeth Grassi



FISCAL IMPACT ANALYSIS – TECHNICAL ASSISTANCE INTEREST FORM

Please complete the following information to indicate your interest in participating in receiving fiscal impact technical assistance related to a planning effort funded through the Proposition 84 Sustainable Communities Planning Grants and Incentives Program:

SUSTAINABLE COMMUNITIES PLANNING GRANTS AND INCENTIVES PROGRAM AWARD INFORMATION:

Grantee Name: Tahoe Regional Planning Agency

Project Name: Fiscal Impact Analysis of Lake Tahoe Development Rights System

Grant Cycle: Round 1 Round 2 Round 3 **Award Number:** Rd 1: 3010-544 / Rd 2: 3012-586

In Progress

Grant Status: Complete **DOC Grant Manager:** Elena Davert

FISCAL IMPACT ANALYSIS PROPOSAL INFORMATION

Type of analysis requested (select all that apply):

Cost of Development Audit (*high level assessment*)

Cost of Land Use Study (*targeted study – individual land uses*)

Fiscal Impact Analysis of Land Use Scenarios (*detailed analysis – development project*)

Proposal Title: Fiscal Impact Analysis of Lake Tahoe Development Rights System

Proposal Description: provide context, what is being proposed, how will technical assistance further sustainability objectives?

The Tahoe Regional Planning Agency (TRPA) is currently considering modifications to its development rights and transfer of development rights system, also known as the "commodities system". TRPA uses this system as an important growth management and sustainability tool. We are slowly reshaping the development "footprint" in the Tahoe region by removing aging development and associated rights from sensitive and remote lands, and redirecting those rights and new development to designated town centers that are higher density, mixed-use, and pedestrian/bicycle/transit friendly in order to reduce greenhouse gas emissions and create a more sustainable region. TRPA used SGC Round 1 funds to determine the number of bonus units necessary for effective transfer of development rights (TDR) incentives, and used SGC Round 2 funds to put development rights information online, thereby encouraging and expediting private transactions. The current development rights system has resulted in multiple types of rights (hotel and motel units, commercial floor area, and residential units) being assigned to local jurisdictions (city or county). The local jurisdictions currently have approval (veto) authority over the movement of development rights from their jurisdiction to another. At the same time, they recognize that they may have too many of one type of right, or too few of another (i.e. the available rights are not in alignment with market demand). Some of the potential solutions being contemplated are creation of a single type of development right (vs. multiple types) and removing the local approval requirement for transfers between local jurisdictions. The local jurisdictions are concerned about these types of proposals based on the potential loss of future property and transient occupancy tax revenues. Understanding the potential fiscal impacts of changes made to the development rights system is key to effectively communicate benefits to decision makers and local jurisdictions. Building on SGC Round 1 and 2 funding, TRPA would like to have TischlerBise conduct a fiscal impact analysis of the current development rights system and the alternatives that have or will be identified for environmentally beneficial redevelopment in the

region. The objective from these analyses is to help select the optimal changes to the TRPA development rights system and accelerate the growth management and sustainability objectives outlined above. A complete fiscal impact analysis will help to better communicate potential benefits of changes to the development rights system with local jurisdictions and the community. TRPA believes that the results of the analysis would be applicable to any local government considering implementation or refinement of a TDR program.

This analysis will help us better evaluate the fiscal impacts of changes to the current development rights system. This will support changes aiming to better manage growth, support environmentally beneficial and economically feasible redevelopment, encourage sustainable development, and improve the effectiveness and predictability of the current development rights system. In addition, this will support the selection of alternatives that more effectively adapt to the needs of the community and local jurisdiction while also facilitating investments in the community and environment.

How will a fiscal analysis be helpful in implementing your community's planning efforts?

1. What is the fiscal impact of the current development rights system? 2. What is the fiscal impact of proposed alternatives to the development rights system? 3.

List three to five key questions that you would like answered through this analysis:

What changes can be made to the development rights system to best incentivize environmentally beneficial redevelopment? 4. How can the fiscal impacts of system changes best be communicated to build consensus with local jurisdictions?

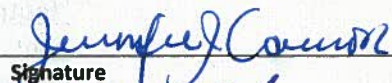
INTENTION TO PARTICIPATE:

The City/County is interested in participating in SGC's fiscal impact analysis technical assistance program. We understand that the work will take place between October 2016 and April 2017. We agree to meet with the consultant to refine an agreed upon work product including a set of questions, provide readily available data, and to provide comments on a draft analysis before it is finalized.

SCPGIP Project Manager: Jennifer Cannon, AICP, Senior Planner

Name

Signature



Planning Director: Nick Haven, Long Range and Transportation Planning Division Manager

Name

Signature

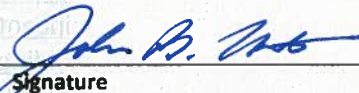


Finance Director/CAO /City Manager:

John Hester, AICP, Acting Executive Director

Name

Signature



PROPOSAL'S PRIMARY CONTACT INFORMATION:

<u>Jennifer Cannon</u>	<u>Senior Planner</u>	<u>775-589-5297</u>	<u>jcannon@trpa.org</u>
First Name	Last Name	Title	Telephone
			Email



A Voice for Lake Tahoe

Request for Proposals

Development Rights Strategic Initiative Consulting Services

Issued Wednesday, October 5, 2016

Proposals Due Friday, November 4, 2016



Summary

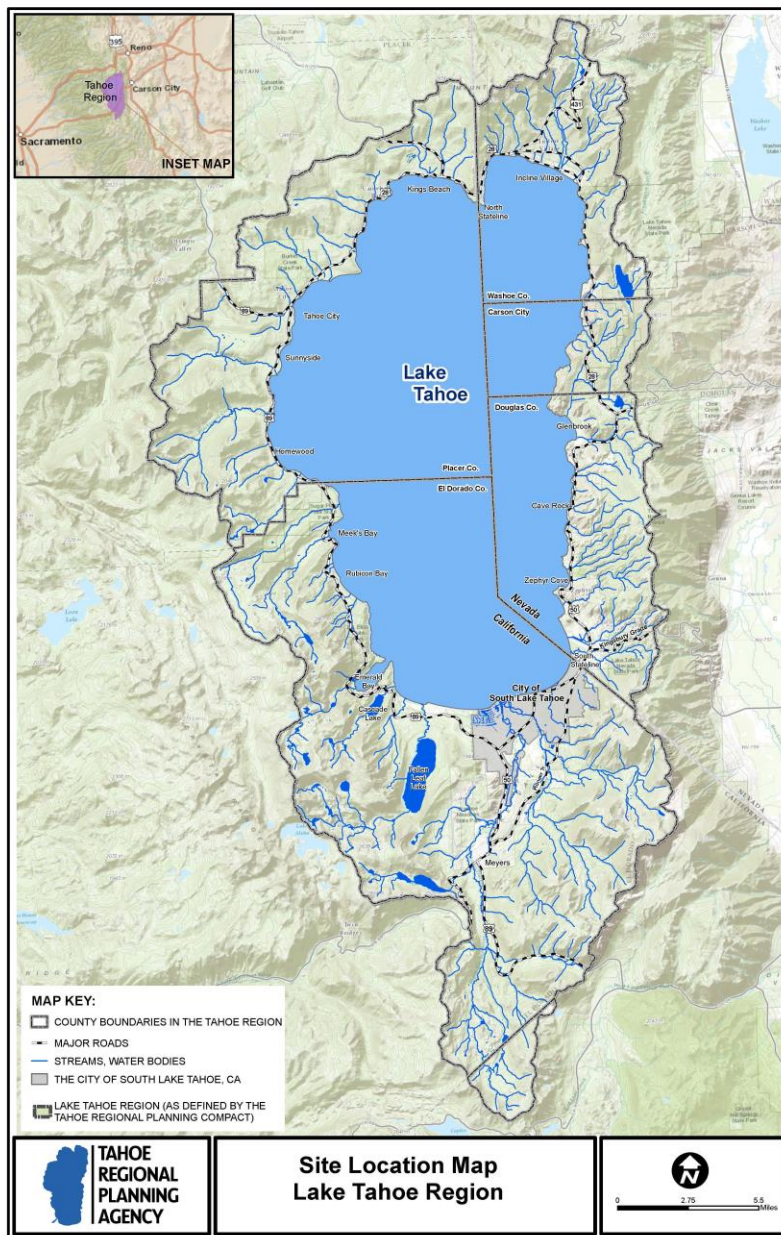
The Tahoe Regional Planning Agency (TRPA) is seeking proposals from qualified consultants or consultant teams to assist in the Development Rights Strategic Initiative. The scope of work consists of an evaluation of the development rights (a.k.a., commodities), timing (a.k.a. allocations), and the transfer of development rights (TDR) sections of the TRPA Code of Ordinances. This may include examining alternative systems that implement existing Regional Plan policies while considering existing development rights.

Request for Proposals

Development Rights Strategic Initiative Consulting Services

Lake Tahoe and the Tahoe Regional Planning Agency

The Lake Tahoe Region is positioned along the California-Nevada border between the Sierra Nevada Crest and the Carson Range (see the site location map below) and it contains the City of South Lake Tahoe and portions of El Dorado County and Placer Counties, California and Washoe and Douglas Counties and the rural area of Carson City, Nevada. The Lake Tahoe Region exhibits unique and irreplaceable environmental and ecological values of national significance that are threatened with deterioration or degeneration.



TRPA MAP DISCLAIMER: This map was developed and produced by the TRPA GIS department. It is provided for reference only and is not intended to show map scale accuracy or all inclusive map features. The material on this map was compiled using the most current data available, but the data is dynamic and accuracy cannot be guaranteed.

The Tahoe Regional Planning Agency (TRPA) was created through a Bi-State Compact between California and Nevada that was subsequently ratified by the United States Congress and President. The Compact requires the Governing Board to adopt Thresholds (1) and a Regional Plan (2) to achieve and maintain the adopted Thresholds.



The Bi-State Compact also mandates implementation of the Regional Plan through adoption and administration of ordinances, rules, and regulations, as well as the inclusion of projects, proposals, and time schedules for implementation. Thus, like many Federal, state and local government plans the Lake Tahoe Regional Plan is implemented through both regulatory actions such as development and redevelopment permitting and compliance (3) and through projects and programs (4) that are funded predominantly by the public through various implementation partners with significant private sector participation (i.e., the Environmental Improvement Program).

Because some Regional Plan implementation activities are beyond the scope of TRPA authority and/or geographic jurisdiction, successful implementation also requires collaboration and education with additional stakeholders including Federal, state, regional, county, city, not-for-profit, and private organizations.

The 1987 version of the Regional Plan focused on growth control by allocating a limited supply of development rights required for new development, acquiring land for conservation such as Stream Environment Zones with meadows and regular flooding, and redirecting development to less sensitive lands. In fact, between 1987 and 2011 state and federal land management agencies acquired over 8,500 private parcels and retired the associated development rights. In addition, a system of transferrable development rights (TDR Program) and land coverage regulations were adopted. Growth control measures in the 1987 Plan were extensively litigated and ultimately upheld as lawful. The TDR Program at this time only offered a “1 to 1” transfer ratio for sending development rights from one parcel (such as sensitive land) to another parcel more suitable for development (such as non-sensitive land). The Regional Plan did offer a few development right conversion options and integrated the Individual Parcel Evaluation System (IPES) to simplify the process of determining land coverage allowances, primarily for vacant single-family residential parcels.

In the 2000s, the environmental impact of “legacy development” that was constructed prior to the 1987 Regional Plan was recognized as adversely impacting the Region. In response, federal, state and local

government dramatically increased funding for stormwater management infrastructure, wetlands restoration, and other environmentally beneficial projects through the Environmental Improvement Program. Trends towards threshold attainment improved measurably, but thresholds for water quality and other resources were still under-achieving. In fact, a pollutant source analysis conducted by the California State Water Resources Control Board (Lahontan) and Nevada Division of Environmental Protection on the Lake Tahoe Total Maximum Daily Load (TMDL) showed that 72% of fine sediment particles were from urban stormwater runoff. To better address water quality issues, one of the primary goals of the Regional Plan as amended in 2012 is to accelerate private investment in environmentally-beneficial redevelopment activities including improved stormwater management infrastructure and to reduce impervious surfaces (coverage). Designated higher density, mixed-use Town Centers are targeted for environmentally-beneficial redevelopment since this is where most of the “legacy development” is located. In addition, incentives were created (e.g., bonus units) to accelerate movement of development rights from sensitive and remote lands to the Town Centers.

Development Rights Strategic Initiative

The goal of the Development Rights Strategic Initiative is to examine the role of development rights (a.k.a., commodities) in managing growth, shaping environmentally beneficial redevelopment, and encouraging sensitive land restoration. This initiative will evaluate the effectiveness of the existing system for allocating development rights in implementing the Regional Plan and identify barriers for environmentally beneficial redevelopment.

The current growth management system is described in the *APA Growing Smart Legislative Guidebook, 2002 Edition* (see pages 9-39 to 9-41). While the system has been effective in controlling growth, many stakeholders in the Lake Tahoe Region believe the system has also hindered environmentally beneficial redevelopment, and that the system could be more effective and predictable. For more information on what we heard from stakeholders, please see the complete stakeholder assessment report:

www.trpa.org/wp-content/uploads/StkhldrAssess_Report_5_16_Final.pdf .

The TRPA Governing Board has approved a Work Program that includes determining the characteristics of the ideal development rights system (a.k.a., selection criteria), completing best practices research, comparing the current TRPA system and best practices to the predetermined set of desired characteristics, selecting a recommended alternative and other alternatives that will be subject to the appropriate level of environmental analysis, and amending the Regional Plan and Code. The timeframe for completion is before the end of calendar year 2018. The following transferable development rights

Key 2012 Regional Plan Goals/Policies Summarizing the purpose of TDR:

- **Prioritize redevelopment and rehabilitation of existing Town Centers and the retirement or restriction of development and restoration on sensitive land (LU-1.2 and 3.8, DP-3.6),**
- **Discourage development in environmentally sensitive remotely located lands (LU-3.5),**
- **Retain development allocations and residential bonus units to promote the transfer of development rights from sensitive lands and outlying residential areas to Centers (LU-3.6-7), and**
- **Encourage consolidation of development and restoration of sensitive lands through TDR (Goal DP-3).**

included in this review include: commercial space by square foot, tourist accommodation units, existing residential units, residential development rights (one per parcel), residential allocations issued annually (timing mechanism) and residential bonus units (incentives). These transferable development rights are described further in the following factsheets: www.trpa.org/about-trpa/how-we-operate/strategic-plan/development-rights/ .

Approved Work Program

The approved work program includes three phases scheduled for completion by the end of 2018. Phase one, which has been completed, includes a stakeholder assessment, development of a work program,

Phases One through Three in the Development Rights Strategic Initiative Work Program			
Phases	Phase 1	Phase 2	Phase 3
Schedule	October 2015 – August 2016 (Completed)	August 2016 – October 2017 (Underway)	November 2017 – October 2018 (Details To Be Determined)
Products	<ul style="list-style-type: none"> ○ Stakeholder Assessment ○ Work Program and Process ○ Working Group ○ Educational Materials ○ Updated Online Development Rights Data 	<ul style="list-style-type: none"> ○ Documentation of Existing Policies and System ○ Definition of Scope ○ Definition of Desired System Criteria ○ Best Practice Assessment ○ Identification of Alternatives ○ Evaluation of Alternatives ○ Selection of Preferred Alternative 	<ul style="list-style-type: none"> ○ Adopted Regional Plan Policy Amendments ○ Adopted Code Amendments ○ Complete Environmental Review
Tasks	1.1-1.5	2.1-2.6	3.1-3.3
Meetings	APC GB	DR Working Group APC GB	DR Working Group APC GB
Public Outreach Program	<ul style="list-style-type: none"> ○ Stakeholder Interviews ○ Stakeholder Report Distribution ○ Update to Email list 	<ul style="list-style-type: none"> ○ Public and Stakeholders Hosted at Meetings, Workshops, etc. ○ Update to Email list 	<ul style="list-style-type: none"> ○ Public and Stakeholders Hosted at Meetings, Workshops, etc. ○ Update to Email list

development rights education, and data updates. Phase two includes the definition of the scope and desired system evaluation criteria, assessments of existing policies and best practices, the identification of alternatives, the evaluation of alternatives, and concludes with the selection of the preferred alternative. The definition of the scope is completed, and the desired system evaluation criteria and assessment of existing policies is scheduled for completion by the end of October 2016. Regarding the assessment of best practices, the inquiry and response from the American Planning Association Planning Advisory Service is completed and the student challenge has been initiated. Phase three is the process for review and adoption of the changes identified in phase two.

Scope of Work for Consultants

As described above, TRPA has entered into phase two work, beginning with convening the first Development Rights Working Group (DRWG) meeting in early September 2016. At that meeting the DRWG approved the initiative mission and scope. Research on best practices to date been comprised of an inquiry to and response from the American Planning Association Planning Advisory Service (APA-PAS) and contact with the Planning Accreditation Board planning programs in the states of California and Nevada to invite graduate level students to propose development rights system improvements. At this point the level of participation in the student challenge is undetermined. It is anticipated that the process of determining evaluation criteria will be completed in October.

TRPA is seeking a consultant or team of consultants to work in partnership with TRPA planning and legal staff to complete the following work program tasks:

- Task 2.A Best Practices Research - Synthesize APA-PAS inquiry results and meld these findings with contributions from a planning challenge contest using students; and relevant analysis, expertise, and other relevant materials.
 - *Estimated Timeline: November 2016 to January 2017.*
 - *Deliverables: A best practices assessment report.*
- Task 2.B Present Best Practice Research Results – In partnership with TRPA staff, present best practices findings and preliminary alternative ideas, and solicit feedback from the DRWG, TRPA Governing Board, and TRPA Advisory Planning Commission.
 - *Timeline: January 2017 to March 2017.*
 - *Deliverables: An effective presentation given to the DRWG, TRPA Governing Board, and TRPA Advisory Planning Commission.*
- Task 2.C Economic Analysis – Complete an economic analysis including pro forma analysis to determine the economic and fiscal impacts of development rights on private investment and local government. Examine options for potential expansion of land bank functions to support development rights buy-out, identify potential revenue sources, and examine the economic implications of this alternative and other alternatives.
 - *Timeline: December 2016 to May 2017.*
 - *Deliverables: A report evaluating the economic and fiscal impacts of development rights on private investment and local government. An evaluation of options for potential expansion of land bank functions to support development rights buy-out which identifies potential revenue sources, and examines the economic implications of this alternative. Support the evaluation of the range of alternatives (to be determined in Task 2.D).*

- Notes:**
1. The pro forma should be in a format that can be used by TRPA or others to evaluate other policy options beyond development rights, like changes in fees, different processing times, etc.
 2. The California Tahoe Conservancy currently has a consultant creating a pro forma for potential projects in the City of South Lake Tahoe. That work should be considered as part of this deliverable.
 3. TRPA has applied to the California Strategic Growth Council for TischlerBise to perform a fiscal impact analysis that could provide part of this deliverable.
- Task 2.D Legal Analysis – Aid TRPA Legal Staff to analyze legal sideboards to aid in the development of alternatives and insuring the alternatives fit within those legal constraints.
 - *Timeline: January 2017 to May 2017.*
 - *Deliverables: An analysis setting legal sideboards; an analysis evaluating the legal implications of different alternatives determined in Task 2.E.*
 - Task 2.E Identify Range of Alternatives - In partnership with TRPA staff, apply the best practice findings and solicited feedback to develop feasible options for preliminary consideration by the DRWG and TRPA Governing Board and Advisory Planning Commission.
 - *Timeline: March 2017 to May 2017.*
 - *Deliverables: An analysis of the range of alternatives based on the best practice findings and solicited feedback.*
 - Task 2.F Evaluate Alternatives - Based on the approved criteria for evaluating alternatives to the current system and the results of the above economic and legal analyses (Tasks 2.C and 2.E), the consultant will evaluate the alternatives (identify pros/cons and examine consequences and potential ramifications).
 - *Timeline: May 2017 to July 2017.*
 - *Deliverables: A report evaluating the different alternatives determined in Task 2.D.*
 - Task 2.G Present Alternatives - Present recommended alternative to working group for their recommendation and refinement. Present working group recommendation on alternatives to APC and GB for feedback and approval (GB).
 - *Timeline: August 2017 to October 2017.*
 - *Deliverables: A presentation evaluating the different selected alternatives.*
 - Task 3.A Develop Amendments - Utilizing the results outlined above, help prepare policy and code amendments in partnership with TRPA staff.
 - *Timeline: November 2017 to February 2018.*
 - *Deliverables: To be determined.*
 - Task 3.C Public Hearing Process - Support TRPA staff in presenting the environmental review of the identified alternatives to help gain formal approval through the public hearing process. This will be scheduled for completion with the conclusion of the environmental review process. Finalize and present amendments for adoption to the TRPA Advisory Planning Commission in September, the Regional Plan Implementation Committee in September, and the Governing Board in October, 2018.
 - *Timeline: September 2018 to October 2018.*
 - *Deliverables: To be determined.*

- Ongoing Management/Administration – Attend select meetings, participate in ongoing project coordination meetings, and coordinate and manage tasks to ensure the delivery of high quality work products.
 - *Timeline: Ongoing.*

Overall, this work will be shaped by direction from TRPA staff; guidance from a collaborative working group process that TRPA has convened purposely for this project; direction from the TRPA Governing Board and Advisory Planning Commission; and input from the public.

Submission of Proposals

Consultants should include the following information in their submissions. Any experience presented in the proposal should be specific to the team members included in the proposal and not the collective experience of a firm to which a team member belongs.

- 1) A description of previous projects that involved complex policy issues and controversial policy decisions and policy evaluation involving multiple stakeholder interests associated with transferable development rights and growth management systems. Include a description of the project(s) and the team members' role, the outcome, and one contact as a reference.
- 2) A description of team members' specific training and experience in legal review of policies and economic development, growth management and transfer of development rights policy development and updates. Desirable qualifications to describe are: expertise of effective growth management and development regulations in other peer communities; comprehensive understanding of the economic, legal, and environmental implications of different alternatives; and demonstrated experience with accomplishing challenging plan updates that effectively balanced divergent stakeholder interests and goals.
- 3) A description of expertise, knowledge and experience in issues related to plan updates, demonstrated economic and legal expertise, and professional experience evaluating policy implications. Please describe experiences with evaluating the economic and fiscal impacts of different alternatives and with identifying potential revenue sources.
- 4) A description of the anticipated approach to accomplishing the proposed tasks in Phase 2 as well as the anticipated conceptual approach to Phase 3. It is expected that the description of the approach to Phase 3 will contain less detail than Phase 2. Include any important strategic considerations, as well as an explanation of the advantages of the proposed approach and changes to the current proposed approach and timeline that should be considered and why.
- 5) A detailed cost estimate to complete Phase 2 of this project, along with a more general approach and estimated budgets for Phase 3, provided in a separate section. The detailed cost estimate for Phase 2 should include team members, hourly rates, estimated hours, and direct costs related to travel, materials, etc. by subtask.

- 6) A list of team members, a description of their role in the project, and corresponding resumes. The selected team will be expected to adhere to the proposed key team configuration and cannot be changed without prior TRPA approval.
- 7) A statement of availability to work on this project between October 2016 and February 2018 specified in the average available hours per month for this project. List any known specific dates during this time period that team members are not available.
- 8) A description of any constraints, limitations, or potential perceived conflicts of interests that may be relevant to this project.
- 9) Contractor location in proximity to the Lake Tahoe Region and ability to travel to project area.
- 10) Description of any work completed previously in the Lake Tahoe Region or on Lake Tahoe Region issues. Include a description of the project(s) and the team members' role(s), the outcome(s), and one contact as a reference.

NOTE: Proposals that fail to specifically address each item listed below will be competitively disadvantaged. Total submission package should total **no more than 12 pages**. Team member resumes will not count towards the 12-page total. Other materials may be submitted but will not be considered when the selection committee evaluates the proposals. All information submitted should be considered non-confidential, including price information.

Evaluation Criteria

Proposals will be evaluated based on the provision of all requested information and the degree to which candidates meet the following criteria:

- a) Demonstrated experience and expertise designing and facilitating complex and controversial public policy development processes and multi-party dialogues and forums, particularly those related to public lands and resource management.
- b) Strong skills in legal and economic development policy development that has been subject to litigation.
- c) Demonstrated expertise and knowledge of issues related to environmental resource management and public/private partnerships.
- d) Experience in preparing and updating growth management and transfer of development plans and drafting Code to improve performance and outcomes.
- e) Proposed approach to the project.
- f) Total price to complete the requested services.
- g) Team composition and overall qualifications.

- h) Availability to begin the project immediately upon award of the contract and to participate in any currently scheduled meetings. Ability and willingness to make this project a priority commitment from October 2016 and February 2018.

Please submit proposals via email (preferred) or hardcopy by 5 PM Pacific Time November 4, 2016 to:

Jennifer Cannon, AICP, Senior Planner

Tahoe Regional Planning Agency
128 Market Street/PO Box 5310
Stateline, NV 89449
(775) 589-5297
jcannon@trpa.org

Email submissions should use the subject line "Transferable Development Rights RFP Proposal"

Contractor Selection

TRPA has convened a multi-stakeholder committee to participate in the selection of the contracted team. Proposals will be reviewed by this team and narrowed to a small group for in-person interviews. This committee will make the final selection, anticipated by the middle of November 2016.