

Tahoe Regional Planning Agency:

**Addressing Broader Needs of the
Lake Tahoe Region and Streamlining
Regulatory Processes Will Increase
Effectiveness**

February 1997
96119

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February 7, 1997

96119

The Governor of California
President pro Tempore of the Senate
Speaker of the Assembly
State Capitol
Sacramento, California 95814

Dear Governor and Legislative Leaders:

As requested by the Joint Legislative Audit Committee, the Bureau of State Audits presents its audit report concerning the Tahoe Regional Planning Agency (TRPA). Our review focused on TRPA's proposed environmental improvement program and on whether TRPA's permitting and regulatory activities and streamlining efforts are effective and efficient. This report concludes that while TRPA's shift in focus to facilitating environmental improvement projects appears appropriate, it is premature to conclude on the effectiveness of TRPA's actions. Further, TRPA has taken action to streamline its regulatory activities and more effectively use its staff. However, TRPA can take additional steps to improve its regulatory efforts.

Respectfully submitted,



KURT R. SJOBERG
State Auditor

Enclosure

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Summary



Audit Highlights...

The Tahoe Regional Planning Agency (TRPA) regulates all development in the Lake Tahoe region. Our review found that:

- It is premature to conclude on the effectiveness of TRPA's shift in focus to facilitating environmental improvement projects from its current emphasis on permitting and regulations.***
 - Although the thresholds were adopted nearly 15 years ago, TRPA has decided to focus on implementing environmental improvement projects before amending these standards.***
 - TRPA can take additional steps to improve its regulatory process.***
- 

Results in Brief

The Tahoe Regional Planning Agency (TRPA) regulates all development in the Lake Tahoe region and leads the cooperative effort to preserve, restore, and enhance its unique natural and human environment. It was established by the Tahoe Regional Planning Compact (compact) approved by the states of California and Nevada and ratified by Congress. A 15-member governing board establishes policy and provides the framework for the daily operations of TRPA.

Our review focused on TRPA's permitting and regulatory activities, its recent emphasis on environmental improvement projects, and its efforts to streamline both its operations and its ordinances.

We found that TRPA is currently shifting its focus from regulatory activities to facilitating environmental improvement projects. To accomplish this, TRPA is initiating a number of actions, such as developing an environmental improvement program, reorganizing its staffing structure, and playing a greater role in facilitating the implementation of environmental projects. While these actions appear to be appropriate and consistent with its mission under the compact, it is premature to conclude on the effectiveness of TRPA's actions.

Further, TRPA has recently conducted a second five-year evaluation of the Lake Tahoe region's progress towards achieving nine environmental standards, also known as thresholds. Originally adopted in 1982 using the best information and technology available at that time, an evaluation shows that the region has not achieved compliance with any of the nine thresholds, but has made progress in achieving 15 of the 34 subelements of the thresholds. However, TRPA's increasing emphasis on environmental improvement projects should help the Lake Tahoe region make progress toward achieving the thresholds. Therefore, TRPA's decision to focus on implementing environmental improvement projects before amending any of the thresholds is prudent.

As to regulatory activities, TRPA has also taken action to streamline its ongoing efforts and more effectively use its staff. For example, TRPA has delegated some of the reviews of residential projects to local jurisdictions, has implemented

procedures to more efficiently process permit applications, and is in the process of revising its ordinances related to activities in the shorezone areas of Lake Tahoe. However, there are additional steps TRPA can take to improve its regulatory efforts.

Recommendations

To ensure that TRPA maintains its focus on promoting projects to bring the Lake Tahoe region into compliance with the nine thresholds, it should continue:

- To modify and maintain a master list of environmental improvement projects that it can use to identify and prioritize its efforts to facilitate projects.
- The reorganization of its staffing structure to accomplish its new goals and maintain its new focus.
- Its efforts to identify and obtain additional state and federal funding for environmental improvement projects.
- To place emphasis on having the local jurisdictions use the mitigation fees to implement identified environmental projects.

As environmental improvement projects are implemented and more information becomes available, TRPA should determine whether the current thresholds should be revised.

To ensure that its regulatory activities are as efficient as possible, TRPA should take the following actions:

- Maximize the use of its resources by delegating to local jurisdictions all aspects of reviewing applications for residential permits not subject to governing board approval. However, TRPA should retain its monitoring and oversight function.
- Consider delegating small commercial projects that do not have significant environmental impact on the Lake Tahoe region to local jurisdictions, with TRPA retaining a monitoring and oversight function.
- Work towards eliminating inconsistencies between TRPA and local regulations that will result in one set of regulations enforced by the local jurisdictions.

- Expand the types of applications that can be approved over the counter to reduce the volume of applications that require review by planners.

Further, it should continue:

- The shorezone ordinance streamlining process. When the process is complete, TRPA should evaluate it to determine whether the process should be applied to the remaining sections of its ordinances.
- To consider amendments to its Code of Ordinances, as appropriate, to allow exceptions for unique situations, provided the property owner can demonstrate that no negative environmental impact will be caused by the exception.
- To revise its application packets for clarity and to ensure that all the requirements for obtaining a TRPA permit are included.

Agency Comments

TRPA generally concurs with the conclusions and recommendations in our report.

Introduction

Background

The Tahoe Regional Planning Agency (TRPA) was originally established in 1969 as a result of the Tahoe Regional Planning Compact (compact) between California and Nevada that was ratified by the United States Congress. The compact established a governing board to oversee TRPA's work and an advisory planning commission to advise the governing board. The compact also required TRPA to adopt a regional plan to provide a long-range plan for protecting the environment within the Lake Tahoe region. TRPA's mission is to lead the cooperative effort to preserve, restore, and enhance the unique natural and human environment of the Lake Tahoe region.

The Lake Tahoe region is located on the California-Nevada border between the Sierra Nevada Crest and the Carson Range and includes all of the Tahoe Basin as well as some specific portions of Placer County, California that are outside the Tahoe Basin. Approximately two-thirds of the Tahoe Basin is in California and one-third in Nevada. In total, the Tahoe Basin comprises about 501 square miles including the waters of Lake Tahoe, which measure 191 square miles. The total land area of the region is over 207,000 acres, with about 75 percent in public ownership. Lake Tahoe is the dominant natural feature of the Tahoe Basin and is the primary focus of local environmental regulation to protect its exceptional water clarity. The Lake Tahoe region contains the incorporated area of the city of South Lake Tahoe and portions of El Dorado and Placer counties in California, Washoe and Douglas counties in Nevada, and the rural area of Carson City, Nevada.

The compact designates TRPA as a separate legal entity with a governing board of seven delegates each from the states of California and Nevada and a nonvoting federal representative. Each state's delegation consists of one representative from local jurisdictions within the Lake Tahoe region and four members who cannot be residents of the region, appointed to represent the public at large within the state. A 19-member advisory planning commission, which consists of area planning and natural resource management professionals as well as laypersons, assists the governing board.

In 1980 the compact was amended to empower TRPA to establish and enforce environmental standards (thresholds) for water and air quality, soil conservation, vegetation preservation, wildlife, fisheries, recreation, noise, and scenic resources in the Lake Tahoe region. TRPA's history since the 1980 compact amendment has been marked by controversy as it developed policies and ordinances that are not necessarily fully agreed to by either environmentalists or property rights proponents. Although the governing board adopted the environmental thresholds in August 1982, the first part of the regional plan was not adopted until April 1984. However, TRPA was unable to implement most of the regional plan's provisions because of a federal court injunction in April 1984, which effectively imposed a moratorium on new building at Lake Tahoe. As a result of the litigation, TRPA used a method of conflict resolution known as a consensus building workshop to develop another regional plan. After three years of negotiations, the lawsuit was settled and the governing board adopted the 1987 Regional Plan which is currently in effect. Based on the success of the consensus group approach, TRPA has used this method to develop other ordinances and the community plans.

The Regional Plan

The governing board has sole authority to amend the regional plan, which guides TRPA's policy and provides the framework for its daily operations. The process to adopt or revise the elements of the regional plan is prescribed by the compact and the Code of Ordinances (code) and requires the preparation of environmental documents and at least one public hearing. The goal of the regional plan is to attain the nine threshold standards.

While the regional plan is referred to as one item, it is actually composed of several documents. These documents are the Goals and Policies, which is the basic document of the regional plan and describes how TRPA plans to achieve the thresholds; Plan Area Statements, which include land-use maps; the Water Quality Management Plan; the Air Quality/Regional Transportation Plan; and the Scenic Quality Improvement Program. In addition, the regional plan includes the airport master plan and local area master plans that assist in implementing the Goals and Policies but are not regional in scope. Further, individual community plans included in the regional plan are the land-use plans for specific areas designated for commercial development within the Lake Tahoe region. Currently, 15 community plans are in effect. Finally, although not technically part of the regional plan, TRPA's code

and Rules of Procedure are the instruments by which TRPA implements the regional plan. Appendix A shows when the various elements of the regional plan were approved as well as dates of litigation that affected the implementation of the plan.

Land Capability Classification

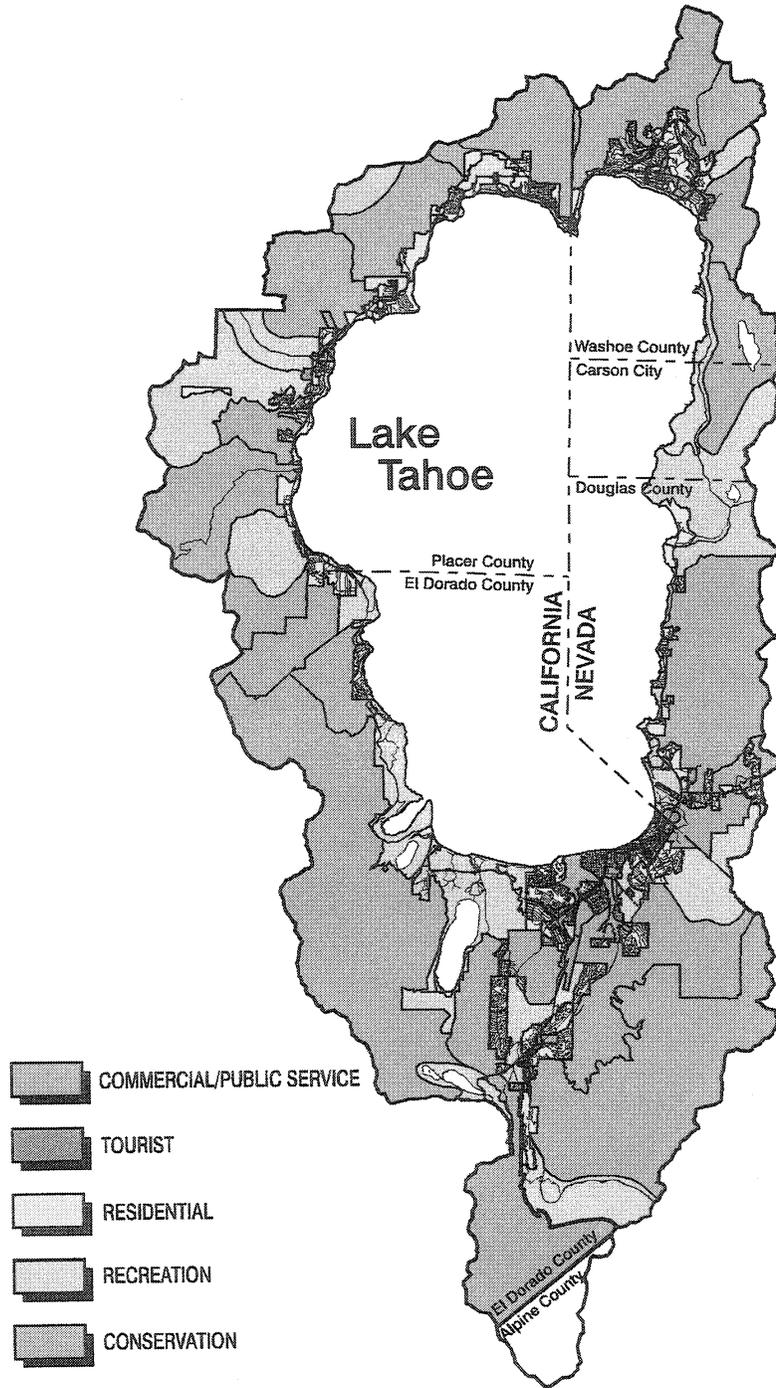
As part of developing land-use regulations to moderate the effects of development in the Lake Tahoe region, TRPA employs a land-capability classification standard called the “Bailey system.” Using this system, TRPA has placed all land parcels into seven classifications based on the land’s environmental sensitivity. For example, Class 7 lands are those with slight erosion and low runoff potential that are allowed a maximum 30 percent land coverage, or surfaces impervious to natural precipitation. Conversely, Class 1 lands display high erosion and runoff potential and are allowed a maximum one percent coverage.

Further, TRPA has evaluated and scored vacant residential parcels in the Lake Tahoe region using the Individual Parcel Evaluation System. This system ranks residential parcels by evaluating a number of characteristics of the land, including soil type, slope, vegetation, and proximity to Lake Tahoe. Scores under this system range from 0 to 1,150. The higher the score, the less sensitive the parcel is to the environmental impacts of development. Owners of parcels with scores above 639 in Washoe County, 672 in Douglas County, and 726 elsewhere are eligible to compete for the 300 residential allocations distributed each year for the entire Lake Tahoe region. An allocation is not a building permit but rather an entitlement for a property owner to build a new home if all TRPA and local requirements are met. TRPA decides how many allocations are given to each local jurisdiction, which in turn decides how to distribute its allocations.

TRPA also designated all lands within the Lake Tahoe region as one of five land-use classifications—commercial and public service, tourist, residential, recreation, and conservation. Figure 1 shows these major classifications of land use in the Lake Tahoe region.

Figure 1

**Major Classifications of Land Use
In The Lake Tahoe Region**



Currently TRPA is facing a challenge to the regional plan's restriction against new residential construction in stream environment zones. The lawsuit will be heard by the U.S. Supreme Court in late February 1997. The six-year old case involves a residential parcel that is in a stream environment zone and therefore environmentally sensitive. Under the regional plan, new residential construction is not permitted on such parcels. According to the TRPA Goals and Policies, each undeveloped residential parcel is entitled to one residential unit, called a development right. TRPA's regional plan allows residential development rights, as well as residential allocations and land coverage, to be transferred to other parcels in the region under certain circumstances. TRPA's Legal Division informed us that the property owner argued that the transfer options need not be pursued because they were valueless, but the district and appellate courts held that the property owner must pursue the transfer options before suing TRPA. The lawsuit will determine whether the property owner must pursue the transfer options or whether the suit will proceed.

Threshold Evaluation

TRPA Resolution 82-11 requires TRPA to review progress towards attaining the nine thresholds every five years. It also allows the thresholds to be amended where scientific evidence and technical information indicate: (a) two or more thresholds are mutually exclusive; (b) substantial evidence to provide a basis for a threshold does not exist; (c) a threshold cannot be achieved; (d) a threshold is not sufficient to maintain a significant environmental value of the region; or (e) additional thresholds are required to maintain a significant environmental value. In December 1996, TRPA issued its draft 1996 Evaluation Report *Environmental Threshold Carrying Capacities and the Regional Plan Package for the Lake Tahoe Region*. While the draft report shows that the region is not in total compliance with any of the nine thresholds, there is some improvement in 15 of the 34 subelements, no trend in 13 of the 34 subelements, and a negative trend in 6 of the 34 subelements. The draft report also describes progress on recommendations from the 1991 report and provides recommendations for actions that will allow the region to meet and maintain compliance with the thresholds.

Organization of the Agency

As shown in Figure 2, TRPA is organized into an executive office and five divisions. The executive office consists of the

executive director and deputy director, the legal division, and the environmental education coordinator.

Each year TRPA prepares a strategic plan and related work elements. The strategic plan and work elements provide documentation to justify its budget requests from the states of California and Nevada. TRPA has an annual budget of approximately \$3.5 million. Its revenue consists of contributions from the local jurisdictions as directed by the compact, income generated by TRPA's activities, and appropriations by the states of California and Nevada in a two-thirds/one-third split, based on the portion of the Tahoe Basin in each state. Appendix B shows the source of TRPA's revenues for the past three fiscal years.

Effective January 15, 1997, the executive director reorganized TRPA to address its change in focus towards facilitating more environmental projects. Four staff from the Long Range Planning Division moved to a new project facilitation unit responsible for coordinating the implementation of the Environmental Improvement Program and the upgrading of TRPA's data systems.

Scope and Methodology

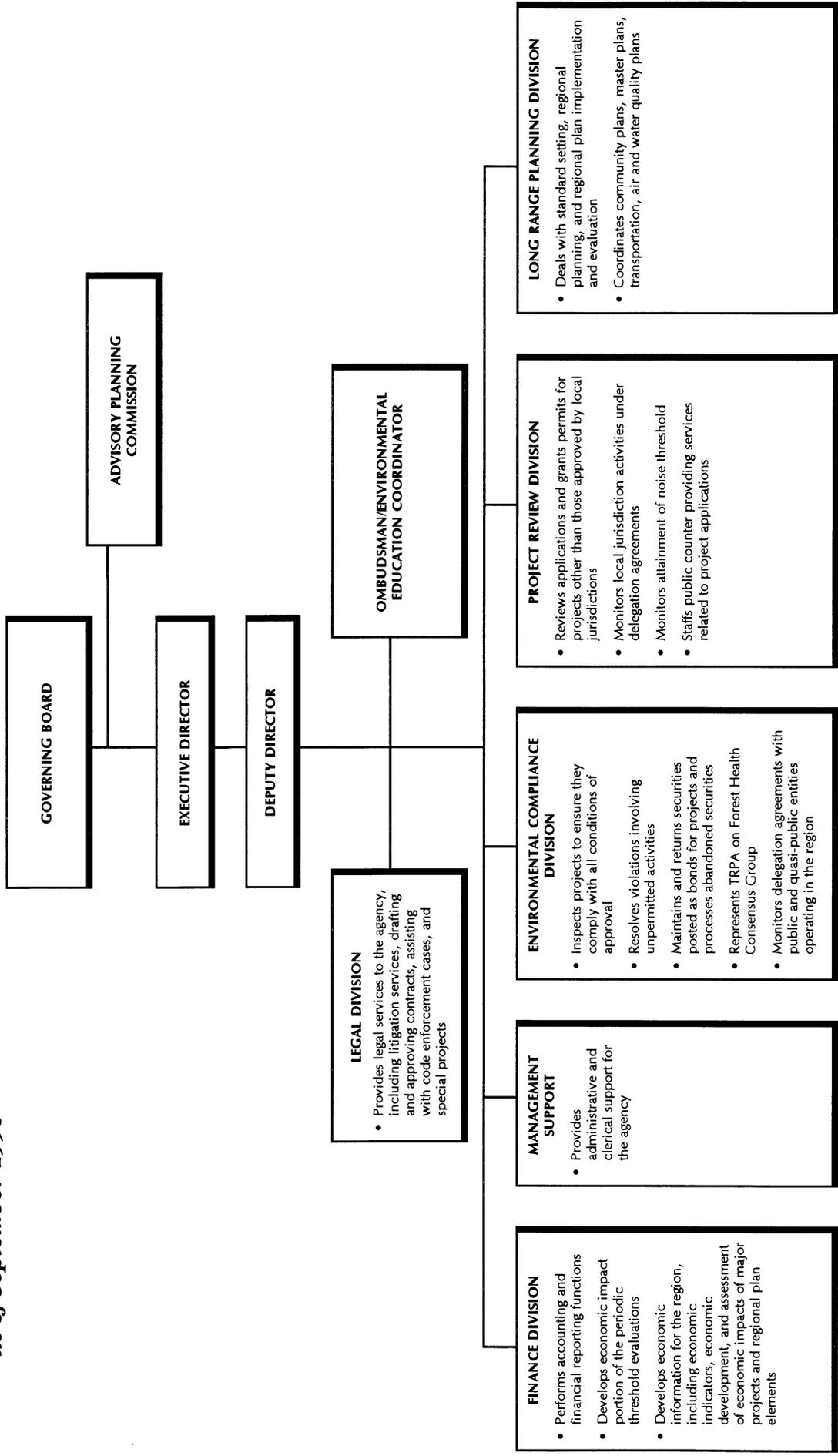
The purpose of this audit was to conduct a comprehensive performance audit of the Tahoe Regional Planning Agency. Specifically, we were to review and assess the efficiency and effectiveness of TRPA's systems and organization structure for carrying out its mission.

We interviewed a representative cross-section of administrators, staff, stakeholders, other governmental entities, and members of the community. As part of this work, we also met with board members; however, we were unable to interview most of the State of Nevada appointees to the governing board because they declined to meet with us due to the State of Nevada's concerns about the audit. We also analyzed TRPA's use of staff over the past two fiscal years and planned staff utilization for fiscal year 1996-97. Further, we evaluated the level and effectiveness of TRPA's public information program.

To assess TRPA's permit and regulatory processes, we reviewed a sample of permit files to determine the timelines for approvals and required studies. Further, we assessed TRPA's monitoring of its delegation agreements with local jurisdictions for the review of some residential projects. Moreover, we assessed how TRPA considers exceptions to its ordinances. We also

Figure 2

**Taboe Regional Planning Agency Organization Chart
as of September 1996**



determined the status of TRPA's plans to make its processes and application packages more customer-oriented.

We reviewed the draft 1996 Evaluation Report to determine whether the Lake Tahoe region is meeting the nine thresholds. We also documented TRPA's identification of priority projects and the status of each. Further, we determined how long TRPA has emphasized environmental improvement projects and the sources of funding identified for the projects.

To assess TRPA's progress towards streamlining, we evaluated the status of the shorezone ordinance streamlining. In addition, we documented and assessed the effectiveness of TRPA's actions to improve its own internal operations.

Finally, we assessed the completeness and effectiveness of TRPA's most recent strategic plan and whether it is consistent with TRPA's mission.

Chapter 1

The Tahoe Regional Planning Agency Should Continue Its Efforts To Address the Broader Needs of the Lake Tahoe Region

Chapter Summary

Since 1987, the Tahoe Regional Planning Agency (TRPA) has primarily focused on implementing a regulatory framework to ensure that new development does not further damage the environment in the Lake Tahoe region. Now that this framework is nearly complete, TRPA is shifting its focus to its other mandate under the Tahoe Regional Planning Compact (compact), which is to achieve and maintain specific environmental standards called thresholds. TRPA plans to accomplish this through its proposed Environmental Improvement Program (EIP) and its accompanying master list of projects. This master list includes soil erosion control, transportation, stream environment zone restoration, and forest health projects. TRPA is seeking money from the federal government, as well as the state governments of Nevada and California and the local jurisdictions within the region to fund many of these projects.

TRPA Has Developed the Regional Plan and a Regulatory Framework

The 1980 amendment of the compact charged TRPA with developing and adopting a regional plan, as well as approving all development in the Lake Tahoe region. The compact provided that the cornerstone of the regional plan would be the environmental thresholds. The compact defines a threshold as “an environmental standard necessary to maintain a significant scenic, recreational, educational, scientific, or natural value of the region or to maintain public health and safety within the region.” In August 1982, TRPA’s governing board adopted Resolution 82-11, which set forth standards for the nine thresholds—water quality, air quality, soil conservation, wildlife, fisheries, vegetation preservation, scenic resources, noise, and recreation. The compact also requires that the regional plan and all its elements, as implemented through ordinances, achieve and maintain these adopted thresholds.

Since 1987, when it adopted the current regional plan, TRPA has continued to amend and enforce the adopted ordinances, as well as draft new ordinances when necessary, to ensure that new projects comply with the regional plan and assist in attaining or maintaining the thresholds. Because TRPA has been charged with ensuring that all new development in the Lake Tahoe region complies with the regional plan, many of its resources were devoted to such activities as reviewing projects, working with applicants and permittees, enforcing compliance with TRPA's Code of Ordinances (code) through site visits to projects under construction, and conducting final inspections on completed projects.



TRPA has devoted most of its resources to regulatory activities.



In addition to drafting and enforcing ordinances, TRPA devoted much of its staff time and effort to completing and adopting additional sections of the regional plan. For example, a provision of the code required communities in the Lake Tahoe region to create and adopt their own community plans before they would be allowed to make the majority of their commercial allocations. Each community is apportioned a certain amount of square footage of commercial space, which it must allocate according to its community plan. These community plans must be consistent with the regional plan and cannot degrade any of the thresholds, thus ensuring that the commercial allocations are consistent with the regional plan. TRPA participated in the consensus process used to create and adopt these community plans. Most of the community plans have been completed and adopted as part of the regional plan, and others are still in the process of being completed.

Another provision of the compact requires that the regional plan meet and maintain federal, state, or local air and water quality standards, whichever are strictest. To fulfill this requirement, TRPA updated and adopted the Water Quality Management Plan and the Air Quality/Regional Transportation Plan.

Additionally, the code which implements the regional plan required the adoption of ski area master plans and an airport master plan prior to the development of these areas. Also, the Goals and Policies document encouraged the adoption of redevelopment and master plans. TRPA has completed and adopted three such plans: the South Lake Tahoe Demonstration Redevelopment Plan, the Lake Tahoe Airport Master Plan, and the Heavenly Ski Resort Master Plan. TRPA also adopted the Scenic Quality Improvement Program, which includes a numerically rated scenic quality ranking system for views from highways, the lake, and listed recreation sites. Appendix A indicates when TRPA adopted each of these components of the regional plan.

TRPA developed and implemented many ordinances subsequent to the adoption of the regional plan and also continued to amend already-existing ordinances. All of these plans and code revisions adopted over the past ten years are important components of the current regional plan and involved much time and effort on the part of TRPA to accomplish.

Article VII of the compact requires TRPA to prepare and consider a detailed environmental impact statement when it acts on matters that have a significant effect on the environment, which includes the adoption of plans and code revisions. Prior to completing an environmental impact statement, TRPA must consult with and obtain the comments of any federal, state, or local agency having jurisdiction by law or special expertise with respect to any environmental impact involved. Moreover, TRPA must solicit the views of the public during a required public comment period of not less than 60 days. As a result, the development and adoption of code revisions and additional components of the regional plan were time-consuming for TRPA.

TRPA Now Needs To Expand Its Nonregulatory Efforts

As described above, a majority of TRPA's time and effort over the past ten years has been devoted to the completion and adoption of the additions to the regional plan package. As a result, TRPA has nearly completed a regulatory framework over all new development in the Lake Tahoe region.


Until recently, TRPA has not facilitated projects that counteract the continuing damage in the region.

However, its staff believe, and we agree, that strict regulation of new development alone has limitations and, by itself, cannot accomplish TRPA's mission to lead the cooperative effort to preserve, restore, and enhance the unique natural and human environment of the Lake Tahoe region. Because much of the environmental damage in the area was caused by growth and events that took place before the inception of TRPA, simple regulation of further development is not enough. Consequently, TRPA believes that it now needs to focus on identifying and assisting in the implementation of major environmental projects that will help the Lake Tahoe region achieve the adopted thresholds.

Until recently, TRPA has not actively facilitated environmental projects that counteract the continuing damage being done by existing problems in the Lake Tahoe region. Meanwhile, the clarity of Lake Tahoe has continued to deteriorate. In addition, six of the other eight subelements (besides lake clarity) of the

water quality and soil conservation thresholds have not been attained. Furthermore, as shown in Table 1, which was taken from TRPA's draft 1996 Threshold Evaluation Report, 23 of the 34 subelements for the nine thresholds have not been attained.

Table 1

***Attainment Status of Thresholds
As of December 1996***

Threshold	Subelements	Number in Nonattainment	Number With Negative Trend	Number With Positive Trend	Number With No Trend
Air quality	8	5	1	5	2
Water quality	7	5	2	1	4
Soil conservation	2	2	0	2	0
Vegetation preservation	3	2	0	2	1
Fisheries	3	2	0	1	2
Wildlife	2	2	1	1	0
Scenic resources	4	3	1	2	1
Noise	3	2	0	1	2
Recreation	2	0	1	0	1
Totals	34	23	6	15	13

***TRPA Is Currently Developing an
Environmental Improvement Program***

Consistent with its new focus, TRPA's proposed EIP is intended to identify, coordinate, and implement all necessary environmental improvement projects, programs, and studies needed to achieve and maintain the nine environmental thresholds. The EIP, which will guide TRPA through the next ten years, includes a master list of environmental improvement projects and the accompanying environmental assessment. It will go before TRPA's governing board for approval at the April 1997 meeting. Since the EIP will be implemented in the future, we are unable to assess its impact or results. However, it does appear to be an appropriate action for TRPA to be taking.

To further TRPA's new goals and emphasize its new focus, the executive director reorganized the TRPA staffing structure as of January 15, 1997. This reorganization is part of the EIP package that will go to the governing board in April 1997. As part of the restructuring, the executive director created a new unit to work

strictly on implementing the EIP and facilitating EIP projects. This EIP facilitation unit will also develop and maintain the monitoring function for the EIP.

Concurrent with the restructuring, the executive director is also requiring all other TRPA staff to devote on average 20 to 25 percent of their time to EIP duties assigned to them. These EIP responsibilities will be one of their highest priorities, which means that all staff must assess their present duties and eliminate those that are not consistent with TRPA's new goals. The executive director believes this new organizational structure will allow TRPA to emphasize the EIP and help it make progress toward attaining compliance with the thresholds.



TRPA has a list of over 380 projects costing more than \$730 million it believes are needed to reach the thresholds.



TRPA staff has compiled a master list of over 380 projects, programs, and studies, with a projected cost of over \$730 million, they believe need to be completed to achieve and maintain each of the thresholds. Staff have also assigned each item on the master list a priority of high, medium, or low. TRPA plans to emphasize the completion of the high priority items first, while assisting with the completion of any medium or low priority items when the opportunity arises. Staff has combined related items from all nine thresholds and merged them into an EIP master list database.

Presently, TRPA staff collect, assemble, and evaluate data on all thresholds to determine the Lake Tahoe region's progress toward threshold attainment only every five years. However, TRPA believes it needs to develop a better threshold evaluation process that includes the use of its Tahoe Environmental Geographic Information System database as the centerpiece of a real-time monitoring system. TRPA has submitted a proposal to the California Department of Finance for the acquisition of new computer equipment at an estimated cost of \$225,000 to begin this process.

Major Types of Projects to Be Contained on the EIP Master List

TRPA characterizes the master list as an important part of its proposed EIP, since these projects will address existing damage in the Lake Tahoe region. These projects comprise the universe of what, in TRPA's opinion, needs to be done in the Lake Tahoe region to make progress towards attainment of all the thresholds. TRPA believes that most of the existing damage that needs to be addressed in the Lake Tahoe region has been caused by past land-use practices and lack of mitigating improvements. The majority of projects address these sources

of environmental degradation through soil erosion control, transportation, stream environment zone restoration, and forest health projects.

Soil Erosion Control Projects Should Reduce Sediment Flowing Into Lake Tahoe



Soil erosion projects are designed to reduce the flow of nitrogen and phosphorous which encourages algae growth causing a loss of clarity in the lake.



Soil erosion control projects are designed to improve the Lake Tahoe region's highways and roads with curbs, gutters, sediment retention basins, retaining walls, and landscaping to prevent further conveyance of soil, salt, and sand into Lake Tahoe. TRPA believes the present roadways contribute greatly to erosion and sediment delivery to Lake Tahoe and its tributaries by exposing unstabilized road shoulders, cut banks, and other areas to runoff. According to TRPA's draft 1996 Evaluation Report, these waters also carry nitrogen and phosphorous, which encourage the growth of algae, into Lake Tahoe causing further loss of clarity. Studies have shown that nitrogen and phosphorous remain in Lake Tahoe for between 30 and 50 years. Further, TRPA notes in its draft 1996 Evaluation Report that a typical drop of water stays in Lake Tahoe for approximately 700 years. Consequently, whatever enters Lake Tahoe has a long-lasting effect on its clarity.

The Nevada highway master plan and the Brockway soil erosion control project are examples of the kinds of projects that TRPA is planning to facilitate under the EIP.

- **Nevada Highway Master Plan:** The Nevada Department of Transportation (NDOT) is developing a master plan to identify projects and the required budgetary needs to complete all necessary soil erosion control projects on the 41 miles of Nevada highways within the Tahoe Basin by the year 2007. The master plan is still in the feasibility stage, but is scheduled for completion by September 1999. As part of this planning process, NDOT has included soil erosion control projects that it plans to implement before the master plan itself is completed. TRPA believes that these projects and others that implement soil erosion control measures on highways in the Tahoe Basin should decrease sediment and nutrients flowing into Lake Tahoe, thereby decreasing the degradation of water quality.
- **Brockway Summit Erosion Control Project:** This project is designed to reduce sediment flows into Lake Tahoe from Highway 267 in Placer County, California. The project, which is the first in a series proposed by the California Department of Transportation on California highways in the

Tahoe Basin, includes installing sand and sediment collectors and stabilizing slopes by reintroducing vegetation or reconfiguring the slope. The proposal estimates the project will cost approximately \$3 million.

Transportation Projects Should Have a Positive Impact on Several Thresholds

TRPA has identified transportation projects designed to reduce reliance on the use of private automobiles, thus reducing the amount of air pollution and the amount of traffic congestion in the region. Reducing dependence on private automobiles, TRPA believes, can positively affect air quality, water quality, and other thresholds. Some of TRPA's goals in this area are increased pedestrian and bicycle access to areas in the Lake Tahoe region and an improved mass transportation system. The following are examples of transportation projects TRPA plans to facilitate under the EIP.



Transportation projects are designed to improve air and water quality.



- **Coordinated Transportation System (CTS):** This large-scale project is designed to coordinate and eventually consolidate existing private and public transportation services in the South Lake Tahoe area. TRPA utilized a partnership approach on this project and has entered into a memorandum of understanding to initiate it. The CTS utilizes mitigation and other funds to implement improvements to the current transportation system. TRPA expects the project to be implemented over a five-year period and also expects that new projects seeking TRPA permits may be asked to participate in the CTS.
- **Heavenly Gondola:** This project provides for the construction of a gondola to transport passengers from urban South Lake Tahoe directly to a terminal at Heavenly Ski Resort. This project is an element of the recently approved Park Avenue redevelopment project described on page 21. TRPA believes the Park Avenue and Heavenly Gondola projects will reduce traffic congestion in the city of South Lake Tahoe and enhance access to recreation.

Stream Environment Zone Restoration Projects Filter Water Entering Lake Tahoe

Stream environment zones (SEZ) are important because they filter impurities out of the water before it enters Lake Tahoe. TRPA's 1982 Threshold Study Report stated that the SEZ is "one of the most effective natural mechanisms for providing

nutrient removal and surface water conveyance from upland areas into Lake Tahoe and its tributaries.” TRPA believes that maintaining these areas in as natural a state as possible ensures their ability to convey and treat water, which is necessary for attaining the water quality threshold. In its 1988 Water Quality Management Plan, TRPA states that surface runoff entering Lake Tahoe under normal conditions has very low concentrations of suspended sediment and nutrients, due largely to the cleansing effect of properly functioning SEZs.

TRPA has identified 64 major watersheds in the Lake Tahoe region in which 4,400 acres of SEZ have been disturbed or modified. Past development practices allowed SEZ land to be filled and structures built on it, thus limiting its ability to treat and filter the water flowing through the area. Current TRPA policies and ordinances prohibit encroachment on these areas with certain exceptions and mandate the restoration of 1,100 acres of disturbed, altered, or modified SEZs.



TRPA believes that maintaining stream environment zones in a natural state is necessary for attaining the water quality threshold.



TRPA has also determined that the destruction of SEZ areas has a negative impact on other thresholds. Encroachment on SEZs causes increased channel erosion and damage to the soils and vegetation bordering the streams, destroying those soils which are the most productive in terms of vegetation and nutrient storage. The vegetation associated with SEZs is a critical component of the Lake Tahoe region’s natural vegetation and provides critical wildlife habitat. In its 1988 Water Quality Management Plan, TRPA describes SEZs as enhancing recreational opportunities and the scenic quality in the region. Finally, it characterizes the soils of the SEZs as very productive and supporting a wide diversity of plant species.

According to TRPA, protection and restoration of SEZs are the most cost-effective mechanisms for reducing the nutrient and sediment loads flowing into Lake Tahoe. It is essential for improving and maintaining Lake Tahoe’s environmental qualities, and for achieving environmental thresholds for water quality, vegetation preservation, soil conservation, scenic, wildlife habitat, and recreation. According to TRPA, at least 61 projects have restored approximately 321 acres of SEZ in the Lake Tahoe region since 1980 at a cost of approximately \$17.5 million. The following are examples of SEZ restoration projects on the EIP master list.

- **Cove East:** This project deals with property that has been acquired by the California Tahoe Conservancy and includes approximately 200 acres of land in and around an urban area. TRPA is working with the Conservancy and other parties to fund and implement this project. The project will remove earthen fill material within the lower portions of the

Upper Truckee River watershed, recreate natural flood plains, enhance fisheries and wildlife habitat, improve water quality, and improve public access. The restoration of these 200 acres of the Truckee marsh will include 36 acres of actual SEZ restoration work.

- **Meeks Relocation:** This project involves the relocation of the Meeks Lumber Yard and Contractor Supply business from a SEZ adjacent to Trout Creek in the city of South Lake Tahoe. TRPA has identified some of the benefits of this project as SEZ and wetlands restoration, scenic quality improvements that include creating new views of Lake Tahoe from the highway, and wildlife habitat improvements.

Improvement Projects Will Attempt To Restore the Lake Tahoe Forest

According to TRPA's draft 1996 Evaluation Report, Lake Tahoe's forests have significantly changed since the middle 1800s. Lake Tahoe's forests do not contain the original composition of trees, are much denser than the original forests, and have a high proportion of dead and dying trees. TRPA attributes these changes to a combination of clear-cut logging to supply the mines of the Comstock Lode, effective fire suppression, a recent and prolonged drought, and a major infestation of bark beetles.


Lake Tahoe's forests are unhealthy as a result of logging, fire suppression, drought, and a major bark beetle infestation.


In 1992, TRPA formed the Forest Health Consensus Group (consensus group) whose goal is to implement forest management and identify priority areas for vegetation management. The consensus group's goals are to restore the forest to conditions that existed prior to the mid-1800s and to protect forests, private property, and human lives within the Lake Tahoe region. Representatives to the consensus group come from federal, state, and local governments; environmental organizations; private business; academia; and the general public.

The consensus group has reached agreement on a description of the forest conditions prior to the mid-1800s, which it considers to be the desired future condition of the Lake Tahoe forests. However, the consensus group has explicitly acknowledged the need for continuous refinement in the desired future condition and has not agreed upon the specific forest management practices needed to achieve this desired condition. Although it has mapped seven different forest management zones in the Lake Tahoe region, it has reached consensus on appropriate management practices in only one of the seven.

TRPA has indicated that forest health problems must be addressed in the near future. The following are examples of projects on the proposed EIP master list that address the forest health issue.

- **North Shore Ecosystem Management:** This involves various timber stand and watershed improvement projects on national forest land in the north Lake Tahoe area between Brockway Summit and the Truckee River. Approximately 25 million board feet of timber may be removed from about 8,000 acres as a result of these projects.
- **East Shore Timber Harvest:** This U.S. Forest Service project began in 1994 and covers approximately 6,500 acres. It involves removing 35 million board feet of timber on the east shore of Lake Tahoe for forest health improvement as well as various watershed improvements. This project is expected to be completed in 1997; however, if needed, some reentry into treated areas may occur after 1997.
- **State Park Fuel Management:** This project involves the removal of dead and dying timber, and other timber stand improvement work in Nevada's Lake Tahoe State Park.

Two Projects Demonstrate the Benefits of TRPA's Shift in Focus

Although TRPA has not fully implemented the EIP or the accompanying master list of projects, it has begun to change its focus from regulation to project facilitation. Some recently approved projects demonstrate the types of benefits TRPA expects will be realized by implementing the projects on the EIP master list. TRPA collaborated with the project proponents to incorporate environmental improvements into the following proposed projects.

Erosion Control Project on Highway 28 Will Decrease Sediments Flowing Into Lake Tahoe

The first phase of NDOT's erosion control project on Highway 28, completed in the summer of 1996, is an example of the type of project the EIP is designed to implement. In this phase, NDOT incorporated erosion control measures when it

resurfaced the highway. According to TRPA, the completion of this project will decrease the degradation of water quality in Lake Tahoe by preventing approximately 150 tons of sediment per year and significant amounts of nitrogen and phosphorous from being discharged into Lake Tahoe.

Other soil erosion control projects completed by NDOT include a \$3.8 million project on the Mt. Rose Highway in 1979, over \$500,000 of work on three projects between 1984 and 1987, and \$2.1 million on two projects between 1991 and 1995. In addition to the work completed by NDOT, the California Department of Transportation has spent more than \$14.5 million in improvements since 1975 on 42 soil erosion control projects.

***Park Avenue Project Will
Improve Multiple Areas***


The project incorporates a storm water system and reduces land coverage thereby enhancing the quality of water entering the lake from this area.

Park Avenue is a multimillion dollar redevelopment project that involves the demolition and subsequent redevelopment of several businesses and hotels in the city of South Lake Tahoe. Project applicants are the South Tahoe Redevelopment Agency, Heavenly Ski Resort, and several other business owners. TRPA's governing board approved the conditional permit for this project on November 20, 1996, after five years work on the part of all involved parties, which included making revisions to TRPA's code. According to TRPA, the Park Avenue project will improve water quality, scenic quality, recreation, and other threshold areas, as well as provide a critical economic benefit to the South Lake Tahoe area.

This project incorporates a storm water management system that will treat runoff created within the project area. In addition, the project will reduce land coverage by approximately 284,000 square feet, including 118,000 square feet in SEZ. These improvements should enhance the quality of the water entering Lake Tahoe from this area. Other planned accomplishments of the project include installing an intermodal transit center that will have the capacity for boarding and unloading up to 11 buses and replacing old dilapidated buildings to improve scenic quality.

***TRPA Should Maximize, Coordinate,
and Attract Funding Sources for More
Environmental Improvement Projects***

To implement the proposed environmental improvement projects contained on its master list, TRPA is actively seeking

various sources of funding. Additionally, it has begun to play a greater role in facilitating these environmental improvement projects by bringing the necessary players together, coordinating their activities, assisting with planning and design to ensure that the project is approvable, and working with the project applicant to maximize available funding. Over the past three years, TRPA has worked with other agencies and special interest groups in preparing a Lake Tahoe federal legislative agenda.

TRPA has also pursued additional state funding through other activities such as bond measures. Moreover, TRPA has begun to work with the local jurisdictions to ensure that they are implementing these EIP projects and maximizing their available funding.

Single Federal Legislative Agenda Adopted for the Lake Tahoe Region

The compact states that the responsibility for preserving the unique values of the Lake Tahoe region is shared among local governments, regional and state agencies, and the federal government. For many years, disagreement among business, environmental, government, and other interests over various land-use issues at Lake Tahoe diverted attention away from effective management and protection of the region's natural resources.



For many years, disagreements among business, environmental, government, and other interests diverted attention away from lake management and protection.



Many public and private organizations with interests in the Lake Tahoe region determined they needed a single federal legislative agenda in order to obtain and maximize federal funding. TRPA has been active in coordinating partnerships with all the Lake Tahoe region's major agencies and interest groups to create a unified request for federal funding and legislation. As a result, for the past three years, there has been a single Lake Tahoe Federal Legislative Agenda supported by 16 of the major stakeholders within the basin.

By adopting a single agenda, the Lake Tahoe region has sought \$2.5 million for the Coordinated Transportation System and \$100,000 from the U.S. Army Corps of Engineers. TRPA's future plans, along with its partners in this process, are to continue to pursue federal funding and favorable legislation. Finally, to facilitate additional federal funding, TRPA and its partners have invited President Clinton to call a federal summit to establish a mechanism for various federal agencies to assist TRPA in protecting and restoring the environment.

***California and Nevada Voters Approved
\$30 Million in Ballot Measures
for Lake Improvements***

In the November 1996 elections in both California and Nevada, the electorate approved bond issues that will fund improvements in the Lake Tahoe region. In California, Proposition 204 (Safe, Clean, Reliable Water Supply Act) will provide \$10 million in funds for the Lake Tahoe region, administered by the California Tahoe Conservancy. In Nevada, Question 12 will provide \$20 million to the Tahoe Basin, which will be administered by the Nevada State Land Registrar.

***Local Jurisdictions Should Use More of
Their Mitigation Fees To Fund
Improvement Projects***


*A total of \$6.6 million is
available to implement
environmental
improvements.*

For most projects in the Lake Tahoe region, applicants are required to pay a mitigation fee. These fees are intended to fund improvements within the same local jurisdiction to offset the adverse effect on air or water quality created by the project. TRPA holds the mitigation fees it collects in trust for the local jurisdictions until they implement environmental improvement projects. Local jurisdictions propose these projects and request the governing board to release funds from the mitigation accounts to pay for them.

As shown in Table 2, as of November 30, 1996, the local jurisdictions had a total of \$6.6 million in mitigation fees available to them.

Table 2

**Mitigation Funds Received and Used
For the Period December 1, 1995,
Through November 30, 1996**

Jurisdiction	Balance as of December 1, 1995	Increases (Fees and Interest)	Releases	Adjustments	Balance as of November 30, 1996
City of South Lake Tahoe					
Water quality	\$ 179,000	\$ 68,000	\$ (85,000)	\$ 133,000	\$ 295,000
SEZ restoration	68,000	22,000	-	-	90,000
Air quality	167,000	57,000	(119,000)	-	105,000
Total	414,000	147,000	(204,000)	133,000	490,000
Douglas County					
Water quality	319,000	89,000	-	-	408,000
SEZ restoration	113,000	30,000	-	-	143,000
Air quality	40,000	27,000	(30,000)	-	37,000
Total	472,000	146,000	(30,000)	-	588,000
Placer County					
Water quality	1,222,000	305,000	-	-	1,527,000
SEZ restoration	411,000	101,000	-	-	512,000
Air quality	617,000	131,000	-	-	748,000
Total	2,250,000	537,000	-	-	2,787,000
El Dorado County					
Water quality	173,000	258,000	-	(133,000)	298,000
SEZ restoration	256,000	98,000	-	-	354,000
Air quality	225,000	266,000	-	-	491,000
Total	654,000	622,000	-	(133,000)	1,143,000
Washoe County					
Water quality	389,000	170,000	(321,000)	-	238,000
SEZ restoration	232,000	64,000	-	-	296,000
Air quality	799,000	93,000	(549,000)	-	343,000
Bitterbrush settlement	-	489,000	-	-	489,000
Total	1,420,000	816,000	(870,000)	-	1,366,000
Shorezone	143,000	31,000	-	-	174,000
Rental car	99,000	110,000	(150,000)	-	59,000
Total Mitigation Fund	\$ 5,452,000	\$ 2,409,000	\$ (1,254,000)	-	\$ 6,607,000

Since fiscal year 1993-94, TRPA has had memoranda of understanding with all but one of the local jurisdictions that require them to submit five-year project lists of air and water quality projects to be funded with the collected mitigation fees. These five-year lists are approved by TRPA's governing board before TRPA releases any of the mitigation fees to the local jurisdictions. TRPA believes that these project lists will enable TRPA to work with each local jurisdiction to incorporate other threshold improvements into the projects when possible. It will also allow TRPA to ensure the local jurisdictions take advantage

of all available funding sources. TRPA should continue to emphasize the local jurisdictions' use of the mitigation fees to implement identified environmental improvement projects.

TRPA Should Evaluate the Results of Some EIP Projects Prior To Revising the Thresholds

The threshold standards were adopted by TRPA in 1982, using the best information and technology available at that time. Resolution 82-11, which adopted the thresholds, requires that TRPA review the thresholds at least every five years after the adoption of the regional plan. After such review, TRPA is required to amend the pertinent threshold standards when scientific evidence and technical information indicate one of the following:

- Two or more threshold standards are mutually exclusive;
- Substantial evidence to provide a basis for a threshold standard does not exist;
- A threshold standard cannot be achieved; or
- A threshold standard is not sufficient to maintain a significant value of the region or additional threshold standards are required to maintain a significant value.

As part of its second five-year threshold evaluation, TRPA reviewed the thresholds and made several recommendations for possible amendments. However, TRPA does not believe it has adequate information to properly evaluate other proposed amendments or the resources to obtain the necessary information.


Threshold standards were originally adopted in 1982 using the best information and technology available at that time.

Furthermore, attempting to make any major changes to thresholds now could produce resistance and shift focus away from implementing the EIP and projects. TRPA feels it must focus on implementing the EIP and its accompanying projects in order to make progress toward achieving the thresholds. Additionally, TRPA's monitoring of the EIP and related projects will provide valuable information that will help it determine whether any of the thresholds need to be amended. As a result, TRPA's decision to focus on implementing the EIP and the related projects before making any major amendments to the thresholds is a prudent course of action.

Chapter 2

The Tahoe Regional Planning Agency Needs To Further Improve and Streamline Its Regulatory Efforts

Chapter Summary

Although the Tahoe Regional Planning Agency (TRPA) is beginning to shift its focus toward implementing projects to correct past environmental damage, it still has significant ongoing regulatory responsibilities. TRPA has delegated some of these responsibilities, such as the review of certain residential projects, to the local jurisdictions; and it is streamlining other responsibilities, such as the review of permit applications. During the past few years, TRPA has made some progress in delegating and streamlining its activities; however, there are additional steps it can take to improve its regulatory efforts and increase efficiency. For example, it can delegate additional residential projects to local jurisdictions, issue more permits over-the-counter, pool fieldwork efforts of staff, and improve its public information program.

TRPA Should Delegate More Responsibility to Local Jurisdictions

Although TRPA has taken steps to delegate certain residential activities to local jurisdictions during the last five years, it should delegate additional permitting and regulatory activities. This will allow TRPA staff to focus on the broader needs of the Lake Tahoe region.

The Project Review Division and Environmental Compliance Division are responsible for TRPA's permitting and regulatory activities. The Project Review Division reviews all proposals for development within the Lake Tahoe region and issues all TRPA permits. It reviews development proposals to determine the project's compliance with applicable provisions of the Tahoe Regional Planning Compact (compact), Goals and Policies, Code of Ordinances (code), Plan Area Statements, and Rules of Procedure. Each of these documents comprises a comprehensive set of rules and regulations. The Environmental

Compliance Division ensures that all persons with TRPA permits comply with the conditions of those permits. It also reviews alleged violations of the compact, regional plan, and code.

MOUs Delegate Some Residential Activities to Local Jurisdictions

Over the past five years, TRPA has entered into memoranda of understanding (MOUs) with the city of South Lake Tahoe and three of the four counties in the Lake Tahoe region. These cover review and compliance activities for certain residential projects. TRPA implemented the MOUs under Article VI, section (a), of the compact, which allows it to identify those activities that will not have substantial effect on the land, water, air, space, or other natural resources in the region and exempt such activities from its review and approval.

The MOUs require that the local jurisdictions review and approve certain residential projects in accordance with the regional plan and code. In addition, they require the local jurisdictions to perform the necessary compliance inspections to ensure that the projects are constructed in accordance with the conditions of their approval. Further, under the MOU, the local jurisdictions have the authority and responsibility to enforce the standards of the TRPA code, including processing code violations for unpermitted residential activities.

Table 3 indicates which local jurisdictions currently have MOUs, the activities delegated under the MOUs, and the effective date of the delegations.


While the MOUs delegate the review and processing of some residential projects, TRPA has retained authority over others.


During calendar year 1995, the most recent for which TRPA has completed its review of MOU activities, the city of South Lake Tahoe and Placer and El Dorado counties issued 313 residential permits. Washoe County's MOU did not take effect until February 1996. While the MOUs delegate the review and processing of some residential projects to local jurisdictions, TRPA has retained authority over others. For example, projects that require governing board approval, such as multiple-family dwellings greater than four units and projects that are designated as a special use on a Plan Area Statement, must be submitted to TRPA. In addition, a project which requires scenic analysis or is visible from the lake or a TRPA-designated scenic corridor requires TRPA review and approval. Furthermore, TRPA currently performs the site assessments for residential projects in four out of the five local jurisdictions.

Table 3

***Residential Activities Delegated
to Local Jurisdictions
As of December 31, 1996***

Local Jurisdictions	Delegated Residential Activity	Effective Date
City of South Lake Tahoe	New ^a	4/28/91
	Additions ^b	3/27/95
	Code Violations ^c	3/27/95
Placer County	New	5/25/92
	Additions	4/24/95
	Code Violations	4/24/95
El Dorado County	New, additions, code violations, and joint site assessments	2/16/93
	Site Assessment ^d	5/22/95
Washoe County	New, additions, and code violations	2/26/96
	Site Assessment	In progress
Douglas County	None	None

^aNew construction of single-family dwellings and multiple-family dwellings of four units or less.

^bAdditions and modifications to single-family dwellings and multiple-family dwellings of four units or less.

^cCode violations involving unpermitted residential activities.

^dSite assessment is a pre-project review of property to verify conditions.

TRPA's site assessment is a pre-project review of the applicant's property to verify conditions, such as the land capability classification, existing land coverage, water quality/erosion control measures, and scenic quality issues. An applicant may request a site assessment for various reasons. For example, an applicant may request a site assessment to obtain pertinent information about a property prior to designing a project or an applicant may use the information in the sale of a property. In addition, as of December 31, 1996, three out of the four MOUs require that TRPA perform site assessments prior to the receipt of applications by local jurisdictions for additions and modifications to single-family dwellings and multiple-family dwellings of four units or less, and to new multiple-family structures of four units or less.

In its annual performance report, the Project Review Division stated that it received 611 residential applications and 99 commercial applications during fiscal year 1995-96. Table 4 breaks these down into types of applications.

Table 4

***Applications for Residential
and Commercial Projects Received
by the Project Review Division
Fiscal Year 1995-96***

Type of Application	Residential	Commercial	Total
New construction and additions and modifications	173	33	206
Site assessments	174		174
Change of use/change in operation		3	3
Major plan revisions	34	2	36
Banking	27	4	31
Over-the-counter permits	32	9	41
Minor plan revisions	36	6	42
Transfers	68	15	83
Verifications (coverage, residential unit, commercial floor area)	25	10	35
Signs	3	10	13
Soil/hydro report	13	4	17
Lot line/boundary line adjustments	12	1	13
Subdivision, grading, others	14	2	16
Total	611	99	710

Table 4 indicates that of the 611 residential applications that TRPA received, 173 were for new construction and additions or modifications to residential projects. In addition, TRPA received and processed 174 applications for site assessments for residential projects. During the period from July 1, 1996, to December 31, 1996, TRPA received 67 applications for new construction of and additions or modifications to residential projects and received and processed 210 applications for site assessments. Thus, even though TRPA delegated additional residential activity, it continues to receive a large number of residential applications.

***Additional Delegation of Projects With
Minor Environmental Impact Is Appropriate***

At the beginning of its regulatory program, TRPA appropriately reviewed project applications as part of its workload. However, we believe that in the ensuing years, circumstances have changed sufficiently so that TRPA can delegate more reviews of projects with minor environmental impact to the local jurisdictions. Specifically, TRPA has successfully delegated some reviews of residential projects to four of the five local

jurisdictions, and it has adopted ordinance amendments that require the installation of water quality measures on all residential properties. Furthermore, TRPA should consider whether it can adapt the project review parameters used by the Cape Cod Commission (commission), which has a similar environmental mission, thus supporting further delegation to the local jurisdictions.



Because circumstances have changed, TRPA can delegate more reviews of projects to local jurisdictions.



Both TRPA and the local jurisdictions must perform quarterly reviews of the MOUs and report to their governing boards. The MOUs require these reviews, or audits, to determine whether the local jurisdiction is appropriately reviewing and monitoring projects against the applicable TRPA ordinances. However, in February 1995, TRPA staff advised its governing board that future audit reports would be presented to the board annually instead of quarterly because TRPA had not identified any significant recurring problems with the implementation of the MOUs.

In addition, in April 1992, TRPA adopted an ordinance for the implementation of the Best Management Practices (BMPs) Retrofit Program designed to control the primary sources of pollution into the lake. In its "Property Owners Guide to Improving Water Quality," TRPA defines BMPs as structural and nonstructural practices for soil erosion control and management of surface runoff in the Lake Tahoe region. Soil erosion and surface water runoff cause pollutants, particularly nutrients and sediment, to be transported to the region's rivers and streams and to Lake Tahoe. Some examples of BMPs include paved driveways, retaining structures such as timber walls, and infiltration systems such as rock-filled trenches along driveways, which can be used to percolate runoff into the soil.

TRPA requires that BMPs be installed on all new projects in the Lake Tahoe region. As such, all TRPA project approvals contain conditions requiring the installation of BMPs where needed on the applicant's entire property. However, by linking the BMP implementation to projects which require TRPA permits, TRPA was reaching only some of the properties which needed BMPs. TRPA implemented the BMP Retrofit Program to require all property owners in the Lake Tahoe region to install BMPs on their property.

The BMP Retrofit Program is being phased according to a priority-based installation schedule. Specifically, property owners in Priority One watersheds were required to have implemented BMPs on their properties by October 15, 1995. The installation of BMPs in Priority Watersheds 2 and 3 is required by October 15, 1997, and October 15, 1999,

respectively. By requiring property owners to implement BMPs, TRPA has made further efforts to control the pollution entering the lake.

As part of our audit, we reviewed the regulations of the commission to determine the development guidelines used by an organization whose purpose and mission are comparable to TRPA's. The commission has set forth the standards and criteria of developments with regional impact that a municipal agency must refer to the commission for review. These standards and criteria are much broader than TRPA's. For example, the commission has determined that new construction, repair, alteration or extension of a single-family dwelling are not developments of regional impact, and therefore, not subject to review. In addition, commercial project proposals subject to commission review must have regional impact and be new construction or additions with a gross floor area greater than 10,000 square feet.



TRPA can also maximize use of its resources by delegating review of small commercial projects as well.



Based on the success of the implementation of the MOUs, TRPA's BMP Retrofit Program, and the guidelines used by the commission, we believe TRPA can delegate more reviews to the local jurisdictions. Specifically, we believe TRPA can maximize the use of its resources by delegating more review of residential projects to the local jurisdictions. We also believe TRPA should consider delegating the review of smaller commercial projects to the local jurisdictions as well. In determining which commercial projects can appropriately be delegated to the local jurisdictions, TRPA should define what constitutes a small commercial project in the Lake Tahoe region.

Additional Delegation Should Consider Other Factors

We interviewed local jurisdiction officials regarding their MOUs with TRPA. Generally, the local officials believe the MOUs for residential activities are working well and that they have a good working relationship with TRPA. However, local officials had some concerns about additional delegation, the cost of administering the MOUs, and the lack of conformity in the permit process.

While some local officials would like to undertake additional responsibilities under their MOUs, they are concerned about the availability of resources to do so. Specifically, local officials are comfortable in accepting additional delegation depending on their workload and whether they can recover their costs.

The MOUs for residential projects require local jurisdictions to collect application fees, mitigation fees, and security deposits in accordance with TRPA's fee schedule. Further, the MOU authorizes the local jurisdiction to retain 90 percent of the application fees to offset its cost of administering the provisions of the MOU. However, local officials have stated that the application fees collected in accordance with TRPA's fee schedule do not allow them to fully recover their costs.



Local jurisdictions' willingness to accept additional projects is dependent upon workload and resources.



Although TRPA has advised us that the local jurisdictions have the discretion to increase their fees to recover their related costs, this may be an area where TRPA should work with the local jurisdictions to help resolve the problem. Under the MOUs, the local jurisdictions are issuing both the county and TRPA permits. To do so, they must review and approve projects in accordance with TRPA's code and in accordance with their local building code. TRPA and the local jurisdictions should work towards a regulatory streamlining that would clarify and conform the regulations between jurisdictions and improve one-stop permitting.

TRPA's Permitting and Regulatory Activities Consume Many Hours of Staff Time

The Project Review Division, in its most recent annual performance report, stated that it had received 925 applications and processed a total of 1,023 applications during the fiscal year ended June 30, 1996. The majority were residential applications. Table 5 lists the types of applications processed during the fiscal year ended June 30, 1996. The table also shows the approximate amount of time Project Review Division staff spent reviewing and processing each type of application.

The Project Review Division spent a total of 7,285 hours reviewing and processing applications during fiscal year 1995-96. This represents 48 percent of its total available hours. During fiscal year 1995-96, the Project Review Division performed various other functions including operating TRPA's public counter, making presentations on the review and action on specific projects at the governing board and advisory planning commission meetings, and developing and administering MOUs with local jurisdictions.

Table 5

***Applications Processed by the
Project Review Division and Related Hours
Fiscal Year 1995-96***

Type of Application	Applications Processed	Project Review Hours
Residential (includes 174 site assessments)	654	2,862
Commercial	116	984
Public service	101	970
Shorezone	46	637
Tourist accommodation	25	137
Recreation	30	347
Erosion control	25	602
Resource management	5	259
Gaming	7	22
Redevelopment	3	389
Subdivision	11	76
Total	1,023	7,285

TRPA spent 5,808 hours in reviewing, approving, and monitoring residential and commercial projects during fiscal year 1995-96.

As indicated in Table 5, the Project Review Division spent a total of 3,846 hours reviewing and processing residential and commercial applications during fiscal year 1995-96. In addition, the Environmental Compliance Division spent 1,962 hours monitoring residential and commercial projects to insure compliance with permit conditions. This represents a total of 5,808 hours for reviewing, approving, and monitoring residential and commercial projects during fiscal year 1995-96. By delegating all of its residential activities not subject to governing board approval and some of its commercial activities to local jurisdictions, TRPA staff can focus on larger projects, such as those included in the Environmental Improvement Program described in Chapter 1. However, we do recommend that TRPA retain monitoring and oversight functions over the local jurisdictions' implementation of the MOUs.

***TRPA Should Further Streamline
Its Permitting Activities***

To further streamline its permitting activities, TRPA should issue more permits over the counter. This would help to eliminate any backlog of less time-consuming applications and improve the public's perception of TRPA. In addition, TRPA should notify an applicant in writing of additional information needed to approve a project, so the applicant is aware of TRPA's

progress. Furthermore, TRPA should pool the field efforts of staff to maximize their efficiency and reduce travel time and related costs.

Timelines for Project Approval and Requests for Additional Information Have Been Criticized

We audited project files for 23 applications TRPA received during the period July 1, 1995, to June 30, 1996. We noted timeliness of project review and approval, including TRPA's requests for additional information. We also interviewed members of the community, local entities, and the governing board. We heard criticism regarding the length of time the Project Review Division takes to assign a planner to a project and the timing and manner in which TRPA requests additional information, such as traffic studies, soils/hydrology reports, scenic analysis, or environmental studies.


While one-third of the files we sampled were assigned to a planner or site visited more than 70 days after TRPA received the application, all were appropriately acted upon within the 180 days required by the compact.


Four of the 23 files we reviewed did not contain the date that the project was assigned to a planner. One file was for a minor plan revision due to a violation that did not require a site visit or assignment to a planner. Of the remaining 18 files, we found that the amount of time between the receipt of the application and the assignment of the file or the site visit was not consistent. For 6 of the files, the Project Review Division assigned the file or conducted a site visit more than 70 days after TRPA received the application. For another 7 files, the assignment or site visit was done more than 30 days after receipt of the application and, for the remaining 5 files, the site visit or assignment was done within 30 days of receipt of the application. TRPA has stated that the delays in assigning projects were due to weather conditions and unforeseen staff reductions.

Article III (g) (3) of the compact requires TRPA to approve, require modification to, or reject a project within 180 days after it accepts the application for the project as complete, unless the applicant has agreed to an extension of this time limit. Article V of TRPA's Rules of Procedure states that the 180-day period commences on the date the application is deemed complete, less any time used by the applicant to provide additional information. Nineteen of the 23 applications were approved within 180 days after TRPA deemed them to be complete. Of the remaining 4 applications, 2 applications were withdrawn and 2 applications are still incomplete.

TRPA Should Directly Notify Applicants of the Status of Their Projects and Should Document Requests for Additional Information in Writing

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TRPA took between 126 and 248 days to either request additional information from or notify applicants of the status of their applications.
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During our review of 23 applications received from July 1, 1995, through June 30, 1996, although TRPA staff may have contacted the consultants, we noted that they did not always keep the applicants apprised of the status of their respective projects. For example, we noted three instances where TRPA took between 126 and 248 days to either request additional information from or to inform the applicants that their applications were incomplete. Furthermore, in another instance, TRPA verbally requested additional information from the applicants' consultant within 78 days of receipt of the application. However, we did not find any evidence in the file to indicate that TRPA had notified the applicant of either the status of the project or the need for additional information even though it took TRPA 424 days to approve the project. Finally, we found inconsistencies in TRPA's requests for information. In some cases, the project files contained a copy of a letter sent to the consultant requesting the additional information while other cases documented verbal requests or did not contain any documentation at all.

In one instance, TRPA received an application for approval of an addition to a single-family dwelling in September 1995. In October 1995, TRPA requested the consultant submit a topographic plan for the land capability verification; however, it did not receive the topographic plan from the consultant until the middle of December 1995. According to TRPA, it delayed the necessary field work until the spring because of the weather conditions. In early January, TRPA verbally notified the consultant of this delay; however, we did not see any evidence in the file to indicate that TRPA had notified the applicant. Moreover, TRPA did not send written notification to the applicant regarding the status of this project until May 24, 1996, 248 days after TRPA had received the application. The application was eventually withdrawn at the request of the applicant.

In a similar example, TRPA took 126 days to verbally notify an applicant that the proposal did not meet the requirements of the code. Further, although TRPA received the application in July 1995, it did not request that the applicant submit revised information that would enable the project to comply with the code until January 1996. According to TRPA, the delay in notifying the applicant of its concerns regarding the proposal was due in part to issues pending before the local jurisdiction that had to be resolved before TRPA could complete its review.

While TRPA could demonstrate that the local jurisdiction had submitted a separate application for a code amendment, we could not find any written documentation in the project file that linked it to the proposed amendment. Consequently, in reviewing the project file, it is difficult to determine whether the delay in the project application was attributable to TRPA's actions or was a result of circumstances beyond its control.



By not documenting the request and receipt of information, TRPA cannot be assured that all applicants are treated equitably.



By not providing a proper document trail showing when it requests and receives information, TRPA is unable to inform applicants of the status of their projects, or to ensure that all applicants receive pertinent information and are treated equitably. It is critical that TRPA keep the applicant apprised of their review and concerns on a project particularly since some applicants do not have their primary residence in the Lake Tahoe region and may not be familiar with TRPA's requirements and its ordinances.

TRPA should request additional information in writing and send a copy of the request to the applicant. If the need for certain additional information is unforeseen and is not determined by TRPA until the project is in review, then the written request should fully explain why the additional information is necessary. These measures should improve communication between TRPA and the applicants and, therefore, improve TRPA's public image.

TRPA Has Made Recent Changes to the Permit Review and Approval Process

The Supplemental Report of the 1996 Budget Act for the State of California required TRPA to streamline its permitting process to ensure final action on all applications within 120 days of submission (or 120 days of completion of an environmental impact statement, if one is required). The streamlining process requires TRPA to place permit applications not acted upon within the 120-day period on the agenda for the next governing board meeting so that the governing board can take action.

In response to the above requirement, the Project Review Division implemented a new 30-day review process effective September 25, 1996. Under the new system, a division employee reviews the application upon receipt. TRPA will not accept applications that do not contain all the necessary forms and fees.

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A 30-day review process implemented in September 1996 will enable TRPA to request additional information much earlier.
—◆—

In addition, within 30 days, a senior planner reviews the application and sends a notice of complete or incomplete application to the consultant or applicant. The only instance in which a file will not contain a notice of complete/incomplete application is if TRPA issues a permit within 30 days. If an application is incomplete, TRPA sends a letter listing the additional information needed and may include a deadline by which everything must be submitted. If TRPA does not receive the information by this deadline, it deems the application withdrawn. TRPA advised us that because of the new 30-day review, the need for additional information such as traffic studies, soil studies, scenic analysis, and other environmental reports will be communicated to applicants much earlier. However, in certain instances, an unforeseen need for additional information may arise when the original application and additional information are subject to more detailed review.

TRPA Should Issue More Over-the-Counter Permits

During fiscal year 1993-94, TRPA created over-the-counter permits for driveway paving and underground tank removal projects. However, TRPA has agreed that there are additional types of applications that can be reviewed and approved over the counter. For example, minor plan revisions generally involve small changes that do not include modifications to land coverage or the exterior dimensions of a structure. According to TRPA, these minor plan revisions generally do not involve a lot of staff time, and by handling these over the counter, Project Review Division staff will be able to focus on larger more significant projects. In addition, these minor plan revisions will be reviewed and approved more quickly, thus improving customer service.

In addition, as part of its streamlining activities, TRPA is considering expanding over-the-counter permits to include transfer applications in the near future. Transfer applications are used to transfer land coverage, development rights, commercial floor area, tourist accommodation units, and residential allocations from one parcel to another. For example, an applicant can file an application to transfer a residential allocation, which is an entitlement to build a residence, if the parcel from which the allocation is being transferred does not meet the criteria to receive a TRPA permit. This process requires the sending parcel to be retired permanently from development.

◆

In fiscal year 1995-96, 125 of the residential and commercial applications received by TRPA were for minor plan revisions and transfers that could be handled over-the-counter.

◆

TRPA has stated that the approval of a transfer application is done relatively quickly, provided TRPA has performed the field visits and verified the conditions on the sending and receiving parcels. In such cases, the approval of a transfer application does not require much staff time and research and, therefore, may be eligible for processing over the counter.

As indicated in Table 4 on page 30, 125 (18 percent) of the 710 applications that TRPA received during fiscal year 1995-96 were for minor plan revisions and transfers. By approving such applications over the counter, Project Review Division staff will improve customer service and be able to focus their attention on more significant projects.

TRPA Should Pool Efforts of Staff To Maximize Their Efficiency

Another area in its permitting activities where TRPA could improve its efficiency is site visits. Specifically, TRPA should use a pooling system to conduct inspections and site assessments currently done by staff in its Environmental Compliance and Project Review Divisions, respectively.

The staff in the Environmental Compliance Division perform the pre-grade, intermediate, and final inspections of projects to ensure compliance with the permit conditions. The division assigns projects to its compliance inspectors by geographic location. In this way, the division pools its site visit workload within the division. In its annual report of performance statistics, the Environmental Compliance Division reported that it conducted 166 pre-grade inspections, 408 intermediate inspections, and 982 final inspections at the project sites. In addition, the division reported that it conducted 146 pre-grade inspections by phone. All projects authorized over the phone are later inspected by staff. Finally, the division reported that it also conducts winterization inspections during the period September 15 through October 15. All ongoing construction projects must have a winterization inspection to ensure that erosion control measures are functioning properly.

The Project Review Division staff perform site visits during various stages of their work. For example, its staff conduct site assessments, which are a pre-project site review of the applicant's property, to review existing coverage, erosion control measures, and scenic quality issues. In addition, the staff perform site visits during the application review process. The Project Review Division currently pools its site visit



By pooling its resources, TRPA could reduce staff travel time and related costs.



workload within the division. While the Project Review and Environmental Compliance Divisions pool their site visit workload within their respective divisions, TRPA may obtain further efficiencies by pooling its site visit workload on an agency-wide basis.

By pooling its resources, TRPA could reduce staff's travel time and the related costs. For example, if a Project Review staff person is scheduled to conduct a site assessment in Incline Village, which takes approximately 60 minutes round-trip from TRPA's offices, that staff person could also conduct some final inspections pending in the Environmental Compliance Division. During the final inspection, the project is inspected thoroughly for compliance with the permit conditions including vegetation, infiltration, coverage, height, use and scenic aspects. In this example, the pooling of resources in the Project Review and Environmental Compliance Divisions would be practical because the Project Review staff have approved the project and, will basically be reviewing the project for compliance with their approval. Further, the Environmental Compliance staff could perform some of Project Review Division's site assessments while conducting their pre-grade or intermediate inspections. However, we do recommend that in the pooling of resources TRPA consider other factors such as the pending workload of the divisions and the seasonal building cycle. Further, we also recommend that TRPA consider adding the workload of the Individual Parcel Evaluation System/Land Capability Office in the agency-wide pooling.

TRPA Should Reassess and Simplify Its Code of Ordinances

TRPA's code and Rules of Procedure are the means by which TRPA implements the various elements of the regional plan. TRPA's code contains 65 chapters divided into 11 major categories. It is a complicated set of regulations that are difficult to interpret and understand by a layperson. Currently, TRPA is reviewing the shorezone ordinances, considered to be one of the most complex areas of regulation in the Lake Tahoe region. Streamlining the shorezone ordinances is TRPA's first step towards simplifying and streamlining its entire code. TRPA formed a partnership consensus group to begin this process in April 1996, with an anticipated completion date of January 1997. However, TRPA now estimates that the entire revised shorezone ordinance package will be complete in the fall of 1997. TRPA attributes this delay to extensive public input, new information regarding personal watercraft issues, and the need to incorporate new information and studies related to

other shorezone issues. While the consensus approach and concept of streamlining the code is reasonable, it is premature to evaluate the effectiveness of this process because the new ordinances have not been implemented.

***TRPA Should Continue To Allow
Exceptions on a Case-by-Case Basis***

TRPA code does not have a general variance chapter, but does allow for amendments to address specific exceptions.

TRPA does not have a general variance chapter in its code. However, TRPA has provisions where if a project is not consistent with TRPA's code and Plan Area Statements, which establish the legal uses for all areas in the Lake Tahoe region, an application for a code or Plan Area Statement amendment may be filed. TRPA's code contains the provisions necessary to approve amendments to the regional plan and the elements which implement the regional plan. These provisions contain the findings that TRPA is required to make to amend the above documents. For example, to amend the code or other TRPA plans, TRPA must find among other things that the project will not cause the environmental standards (thresholds) to be exceeded, and that the regional plan and all of its elements as amended achieves and maintains the thresholds.

In April 1988, in response to concern expressed by several governing board members that TRPA's code was inflexible in certain areas and resulted in delays in amending ordinances to correct deficiencies, TRPA's Legal Division was asked to consider drafting an ordinance which would allow variances from the code. In a memo dated June 1988, TRPA's Legal Division advised the governing board that in the earliest draft of the code, TRPA had proposed a general variance chapter. However, the general variance chapter was deleted during the consensus process. Instead, an ordinance-specific approach was substituted. The memo stated that TRPA's ordinance-specific exception provision allows exceptions to be considered on a subject-by-subject basis, for example, height, setbacks and grading.

The memo also provided some examples of ordinance-specific exceptions that TRPA has approved. For example, section 64.7.B of the code allows an exception for excavations in excess of five feet in depth or where there is a possibility of interference of a water table, provided TRPA finds among other things that a soils/hydrologic report demonstrates that no interference or interception of groundwater will occur. In another example, section 25.7 of the code allows approval of alternative Best Management Practice requirements in special circumstances to meet water quality standards.

The special circumstances may include, but are not limited to, streets, highways, and bike trails, and the presence of unusual concentrations of pollutants.

We spoke to officials at the Sacramento County Planning Department and Washoe County Development Review Department regarding the types of variances granted by the counties and the requirements pertaining to variances. Officials at the Sacramento County Planning Department stated that the county generally receives variance requests relative to the setback of a garage or building and, occasionally relative to a height situation. In addition, an applicant has to go through a public hearing process and has to make two findings which support the variance request. The applicant must demonstrate that, due to special circumstances peculiar to the property, the strict application of the requirements of the code would deprive the subject property of privileges enjoyed by other properties in the vicinity and other identical zone classifications. In addition, the applicant must show that the granting of a variance will not constitute a grant of special privilege inconsistent with the limitation upon other properties in the vicinity and zone in which the property is located.



Allowing variances is common among local jurisdictions.



Washoe County usually receives requests for residential variances for standards such as building height, setback requirements, or placement of accessory structures. The county states that a variance is typically requested for lots with unique physical conditions that create a hardship, such as unusual shape, difficult topography, or poorly placed existing structures. Furthermore, an applicant has to go through a public hearing process and has to make findings relative to the variance request. In such cases, the county may grant relief from one or more of its land-use standards. However, the county may not grant a variance to allow a use that is not legally permitted in a given land designation, or to enhance property values where no hardship on the property exists.

Recently, the Nevada Legislative Commission's Committee to Continue the Review of TRPA, held a series of hearings to address several issues related to TRPA's activities and adopted various recommendations. Included in their recommendations was that TRPA continue to amend the general rules set forth in its code, as appropriate, to provide exceptions to the code to address situations which exhibit site-specific or other special circumstances.

Although TRPA does not have a general variance chapter in its code, it does allow for exceptions within the code, on a subject-by-subject basis. We believe TRPA should continue to consider amending its code, as appropriate, to allow exceptions

for unique situations, provided the property owner can demonstrate that no negative environmental impact will be caused by the exception.

Opportunities Exist for TRPA To Improve Its Public Information System

Our interviews with members of the community, local jurisdictions, and governing board members indicated the areas of most concern by the applicants. In addition, during our review of the information available to the public regarding the agency and its processes, we determined that TRPA can provide additional information to the public to answer the more commonly asked questions.

The Public Lacks Information on the Uses of Mitigation Fees

—◆—
Annually, TRPA should publicly disseminate information related to the sources and uses of mitigation fees, including a description of the environmental projects completed by local jurisdictions.
—◆—

TRPA does not regularly include information in its publications that describes how the various mitigation fees it collects are used. For example, if an individual is building a new single-family dwelling, the special permit conditions may require payment of an air quality mitigation fee of \$2,000, and water quality mitigation fees of \$1.25 per square foot of new land coverage. The application packet for new residential projects states that the fees will either be used within the jurisdiction of project origin for remedial erosion control projects or air quality improvement projects. However, TRPA does not have a publication that shows how the mitigation fees were actually used. By publishing this information, TRPA could inform the public about the environmental projects completed in their local jurisdictions and improve the public perception of TRPA.

Our review of the newsletters and annual reports recently published by TRPA found few instances of articles on the collection and use of mitigation fees. While some articles in the newsletters mentioned the payment of mitigation fees, it was usually only one sentence of a general nature.

TRPA should include a section in its annual report describing the sources and uses of mitigation fees, including a description of the various environmental projects completed by the local jurisdictions that were funded by the fees. Such a report should be included in the application packages mailed to potential applicants and should be made available at the public counter to address questions regarding mitigation fees.

***In Revising Its Application Packets TRPA
Should Include All Pertinent Information***

TRPA has begun the process of revising its application packets. In its annual performance report for fiscal year 1995-96, the Project Review Division stated that the division is updating the application packets to make them more reader-friendly and to reflect adopted code amendments. TRPA has stated that it has completed the draft form of the commercial application packet and will begin work on other packets within the next two months. It asserts that the new application packets are streamlined and contain only the critical elements of project approval. In addition, TRPA will provide detailed information on height restrictions, erosion control measures, and plan requirements in supporting packets.


The application packet for additions and modifications to residential projects does not state TRPA's requirements for projects located in a scenic corridor.


Although TRPA is in the process of making its application packets more user-friendly, it should also ensure that the packets include all requirements for obtaining a TRPA permit. If a potential applicant does not receive all information, the applicant is not aware of the potential cost and time involved in obtaining a TRPA permit prior to applying for the permit. For example, the application packet for additions and modifications to residential projects does not state TRPA's requirements for projects located in a scenic corridor. Instead, it states that if a project is visible from a scenic roadway or from Lake Tahoe, TRPA will work with the applicant to design a structure that minimizes the impacts on scenic quality.

TRPA's scenic requirements have been an area of concern raised in many of the interviews we conducted. Interviewees felt that TRPA's scenic requirements were subjective and handled inconsistently. TRPA explained that the application packets do not contain information concerning scenic requirements for a number of reasons, including the relatively small number of applications involving scenic evaluations and the already extensive size of the application packets. In addition, TRPA staff have stated that, depending on the nature of the project, the scenic requirements could range from providing color and material samples to a visual simulation to providing a scenic analysis. However, we believe TRPA should state its scenic requirements and provide the reasons for them either in the application packet or in a supplementary guide. By disclosing the scenic requirements, an applicant will understand the type of information required for a TRPA permit prior to submitting an application. Thus, the applicant will not be faced with an unexpected request for additional information during the project review process.


Some application packets do not provide applicants with all the options for mitigating excess land coverage.


In addition, some application packets do not provide applicants with all the options for mitigating excess land coverage. Section 20.5 of TRPA's code provides five options for mitigating excess land coverage. It states that an applicant may choose any one of these options, or a combination of these options, to mitigate excess land coverage. The options include reducing coverage onsite, paying a coverage mitigation fee, reducing coverage offsite, reducing excess coverage by parcel consolidation or parcel line adjustment with a contiguous parcel. Projects within an adopted community plan, may rely on provisions of the community plan itself to mitigate excess land coverage, provided TRPA makes certain findings.

However, not all of the options stated above are outlined in TRPA's application packets. For example, the application packet for additions and modifications to residential projects provides only two options for mitigating excess land coverage: paying a coverage mitigation fee and reducing coverage onsite. The application packet for commercial projects includes the same two options. TRPA should inform applicants of the other options of mitigating excess land coverage. We discussed this with TRPA staff who stated that the offsite coverage reduction option of the excess coverage mitigation program is rarely used by applicants. However, we believe this may be due to the fact that applicants are not adequately informed about this option.

Finally, TRPA's application packets do not provide an applicant with adequate information regarding the timelines for the review and approval of their project. The application packets indicate that the processing time depends on the complexity of the projects, the current workload of the Project Review Division, and the time of year an application is submitted. TRPA should describe its new 30-day review process in its application packets and state that within 30 days of receipt of an application, the Project Review Division will notify applicants in writing of whether the application is complete or incomplete. In addition, the packets should state that information required to complete the review of an application must be received by a specific date or the application will be considered withdrawn. Informing potential applicants of time lines for project review and approval and of the importance of submitting timely information will improve the public's perception of TRPA.

Chapter 3

Recommendations

The Tahoe Regional Planning Agency (TRPA) is currently in transition from being primarily a regulatory agency to one that focuses more on facilitating environmental improvement projects. Since 1987, the majority of TRPA's time and effort has been devoted to drafting and enforcing ordinances as well as completing the regional plan. However, TRPA believes, and we agree, that strict regulation of new development has limitations and, by itself, will not accomplish its mission. As a result, TRPA is changing its focus from regulating development to encouraging the implementation of projects that will help bring the Lake Tahoe region into compliance with the current environmental standards (thresholds).

To accomplish this transition, TRPA is initiating a number of actions. These include developing an environmental improvement program to counteract the current environmental problems within the Lake Tahoe region, reorganizing its staffing structure to emphasize its new focus on projects, and playing a greater role in facilitating the implementation of environmental projects. We believe all these efforts are appropriate and consistent with its mission under the Tahoe Regional Planning Compact. However, because these efforts are in the preliminary stages, we are unable to conclude on the effectiveness of TRPA's actions.

TRPA has also taken action to streamline its ongoing regulatory activities to more effectively use its staff. For example, TRPA has delegated some of the reviews of residential projects to local jurisdictions, has implemented procedures to more efficiently process permit applications, and is revising, through a consensus process, its shorezone ordinances. While it has made progress in delegating and streamlining some of its work, TRPA can take additional steps to improve its regulatory efforts.

To ensure that TRPA maintains its focus on promoting projects to bring the Lake Tahoe region into compliance with the nine thresholds, it should continue:

- To modify and maintain a master list of environmental improvement projects that it can use to identify and prioritize its efforts to facilitate projects.

- The reorganization of its staffing structure to accomplish its new goals and maintain its new focus.
- Its efforts to identify and obtain additional state and federal funding for environmental improvement projects.
- To place emphasis on having the local jurisdictions use the mitigation fees to implement identified environmental projects.

As environmental improvement projects are implemented and more information becomes available, TRPA should determine whether the current thresholds should be revised.

To ensure that its regulatory activities are as efficient as possible, TRPA should take the following actions:

- Maximize the use of its resources by delegating to local jurisdictions all aspects of reviewing applications for residential permits not subject to governing board approval. However, TRPA should retain its monitoring and oversight function.
- Consider delegating small commercial projects that do not have significant environmental impact on the Lake Tahoe region to local jurisdictions, with TRPA retaining a monitoring and oversight function.
- Work towards eliminating inconsistencies between TRPA and local regulations that will result in one set of regulations enforced by the local jurisdictions.
- Provide applicants with requests for additional information in writing to keep the applicant apprised of TRPA's review of the project.
- Expand the types of applications that can be approved over the counter to reduce the volume of applications that require review by planners.
- Pool the required site visit workload of all its divisions to maximize efficiency and reduce travel time and related costs.

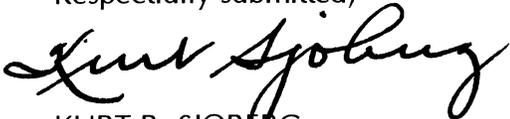
- Include a section in its annual report describing the sources and uses of the mitigation fees it collects, including a description of the various environmental projects completed by the local jurisdictions that were funded by the fees. TRPA should also include the current annual report with the application packages given to potential applicants and make the report available at the public counter to address some of the concerns related to the use of mitigation fees that it collects.

Further, it should continue:

- The shorezone ordinance streamlining process. When the process is complete, TRPA should evaluate it to determine whether the process should be applied to the remaining sections of its ordinances.
- To consider amendments to its Code of Ordinances, as appropriate, to allow exceptions for unique situations, provided the property owner can demonstrate that no negative environmental impact will be caused by the exception.
- To revise its application packets for clarity and to ensure that all the requirements for obtaining a TRPA permit are included.

We conducted this review under the authority vested in the state auditor by Section 8543 et seq. of the California Government Code and according to generally accepted governmental auditing standards. We limited our review to those areas specified in the audit scope section of this report.

Respectfully submitted,



KURT R. SJOBERG
State Auditor

Date: February 7, 1997

Staff: Elaine M. Howle, CPA, Audit Principal
Nancy C. Woodward, CPA
David Hawkes, CPA
Rupi Singh, CPA

Appendix A

Elements of the Regional Plan and Pertinent Litigation

Element/Litigation	Adoption Date
Rules of Procedure	February 25, 1981; various amendments
Thresholds	August 26, 1982
People of State of California ex rel. Van De Kamp v. Tahoe Regional Planning Agency ^a	Filed April 26, 1984
Goals and Policies	April 26, 1984; September 17, 1986
Tahoe-Sierra Preservation Council, Inc. v. Tahoe Regional Planning Agency ^b	Filed June 25, 1984
Plan Area Statements	February 25, 1987
Kelly v. TRPA et al ^c	July 24, 1987
Code of Ordinances	August 27, 1987; various amendments
Water Quality Management Plan	November 30, 1988
South Lake Tahoe Demonstration Redevelopment Plan	March 22, 1989
Bijou Community Park Master Plan	June 28, 1989
Scenic Quality Improvement Program	September 27, 1989
Suitem v. TRPA, et al ^d	Filed January 28, 1991
Elkpoint Community Beach Master Plan	March 25, 1992
Air Quality/Regional Transportation Plan	May 27, 1992
Lake Tahoe Airport Master Plan	August 26, 1992
Heavenly Ski Resort Master Plan	June 26, 1996
Community Plans	
Meyers	October 27, 1993
Kingsbury	November 17, 1993
Round Hill	November 17, 1993
Stateline	November 17, 1993
Tahoe City	February 23, 1994
Stateline to Ski Run	March 23, 1994
Bijou/Al Tahoe	February 28, 1996
Carnelian Bay	April 24, 1996
Incline Village Commercial	April 24, 1996
Incline Village Tourist	April 24, 1996
Kings Beach Commercial	April 24, 1996
Kings Beach Industrial	April 24, 1996
North Stateline	April 24, 1996
Ponderosa Ranch	April 24, 1996
Tahoe Vista	April 24, 1996

^a This suit alleged that TRPA had failed to adopt a plan and ordinances incorporating all elements allegedly required by the Tahoe Regional Planning Compact and, therefore, the plan and ordinances were invalid. A virtually identical suit filed by the League To Save Lake Tahoe was consolidated with this case. Both a temporary restraining order and a preliminary injunction were issued enjoining the TRPA from approving projects. Case was settled through negotiation of a revised regional plan in 1987.

^b Plaintiffs seek declaratory and injunctive relief as well as damages for inverse condemnation. Case is still pending.

^c Plaintiff sought specific performance, declaratory, injunctive, and monetary relief, and punitive damages for alleged inverse condemnation of plaintiff's property. Judgment held that no taking of property occurred and denied plaintiff's request for monetary damages.

^d Plaintiff seeks declaratory and injunctive relief as to TRPA's Individual Parcel Evaluation System, a permit to proceed with construction of a single family residence on a stream environment zone lot, and damages for inverse condemnation. Case to be heard before United States Supreme Court in early 1997.

Appendix B

Tahoe Regional Planning Agency Revenue Sources Fiscal Years 1993-94 Through 1995-96

Revenue Source	Fiscal Years		
	1993-94 ^a	1994-95 ^a	1995-96 ^b (Unaudited)
State and local government funding			
State of California	\$ 972,000	\$ 972,000	\$ 888,000
State of Nevada	383,430	382,608	376,265
State of Nevada, Legal	100,000	100,000	100,000
El Dorado County, California	43,391	43,739	43,462
Placer County, California	37,491	37,883	37,808
Washoe County, Nevada	29,590	29,448	29,945
Douglas County, Nevada	27,028	26,430	26,285
Carson City, Nevada	12,500	12,500	12,500
Other grant and contract revenue ^c	789,902	1,079,781	1,320,025
Total state and local government funding	2,395,332	2,684,389	2,834,290
Federal grants	93,245	58,338	22,641
Agency operations	730,288	670,145	774,490
Total TRPA Revenue	3,218,865	3,412,872	3,631,421
Environmental impact study revenue ^d	289,715	331,846	412,791
Total	\$3,508,580	\$3,744,718	\$4,044,212

^aFigures for fiscal years 1993-94 and 1994-95 were obtained from the audited financial statements for the Tahoe Regional Planning Agency.

^bFigures for fiscal year 1995-96 were obtained from the internal operating statements for the Tahoe Regional Planning Agency.

^cThese revenues do not include revenues for Placer County Local Transportation Fund, El Dorado County Local Transportation Fund, or El Dorado County State Transit Assistance Fund.

^dThese revenues are not available for the Tahoe Regional Planning Agency to use for agency expenditures.

TAHOE REGIONAL PLANNING AGENCY

308 Dorla Court
Elks Point, Nevada

P.O. Box 1038
Zephyr Cove, Nevada 89448-1038

(702) 588-4547
Fax (702) 588-4527
Email: trpa@sierra.net

January 31, 1997

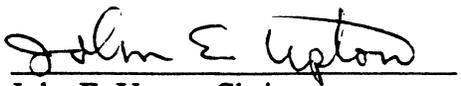
Mr. Kurt R. Sjoberg:
California State Auditor
Bureau of State Audits
660 J Street, Suite 300
Sacramento, CA 95814

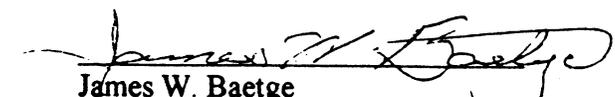
Dear Mr. Sjoberg:

The Tahoe Regional Planning Agency appreciates the opportunity to work with your staff in the performance review of our Agency's operations. We appreciate the exceptionally professional manner in which your staff conducted the audit. We believe our concerns were clearly responded to, and that many of the concerns of those outside the Agency were carefully researched, and responded to in this report. We are particularly pleased with the recommendations that reinforce the many improvements to our operations that we have been pursuing over the past few years. Having this positive performance report will assist our Agency through the budget process as we pursue implementation of our Environmental Improvement Program.

We also appreciate your comparisons in sections of the report with the Cape Cod Commission. As you know, we do have a Memorandum of Understanding with the Commission designed to coordinate our respective activities. A significant difference to recognize, however, is that our water quality thresholds are aimed at water clarity requiring our major emphasis to be placed on avoiding nutrient inflow to the Lake. In contrast, emphasis of the Cape Cod Commission is in different areas, since they do not discharge to one of the most pristine lakes in the world. We developed the MOU with the Cape Cod Commission and others to be assured that TRPA is on the leading edge of all environmental planning activities throughout the country.

Thanks again for the time and effort devoted to the Tahoe Regional Planning Agency.


John E. Upton, Chairman
Governing Board Audit Committee


James W. Baetge
Executive Director

cc: Members of the Legislature
Office of the Lieutenant Governor
Attorney General
State Controller
Legislative Analyst
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
Capitol Press Corps