

ANNUAL UPDATE OF LAND BANK ACTIVITIES

Since 1987, the Conservancy has operated the Land Bank on the California side of the Basin under a Memorandum of Understanding (MOU) with the Tahoe Regional Planning Agency (TRPA). The Conservancy's Land Bank acquires properties and/or marketable rights from willing sellers, restores the land, and banks the marketable rights. Land coverage and/or marketable rights are then made available through a public process. To date, the Conservancy has completed more than 7,000 market-based transactions of coverage and marketable rights.

All Land Bank transactions must comply with the Tahoe Regional Planning Agency (TRPA) Code of Ordinances, and be consistent with Conservancy guidelines. Land Bank projects requiring environmental review (CEQA) are subject to Board review and approval.

For additional information on the Land Bank, including prices and forms, visit:
[Coverage & Marketable Rights | California Tahoe Conservancy.](#)

Fiscal Year 2014/15 Overview

A. Coverage

In the 2014/15 (FY2014/15) fiscal year, the Conservancy acquired, sold, used, or reserved coverage for the following purposes:

- 1) Providing coverage under the excess coverage mitigation fee program
- 2) Providing restoration credit for public projects
- 3) Selling coverage on the open market to individuals and businesses

Attachment 2 provides a more detailed list of these transactions by type of coverage and hydrologic area.

1. Excess Coverage Mitigation

The TRPA's Excess Coverage Mitigation (ECM) program requires landowners seeking to remodel their properties to mitigate extra coverage placed on property prior to 1972. One mitigation option requires fee payment to the local jurisdiction. These fees are reported to TRPA and deposited into the Conservancy Land Bank. The TRPA-Conservancy Land Bank Memorandum of Understanding requires the Conservancy to remove coverage and restore land as mitigation for the impacts of the excess coverage.

The Conservancy started FY2014/15 needing 46,609 square feet of coverage to offset recently approved project impacts. During the year, the Conservancy mitigated 16,030 square feet of coverage using ECM fees, but also incurred an additional obligation of 17,500 square feet from newly approved projects, leaving a balance of 48,078 square feet of coverage to be mitigated.

Table I				
Excess Coverage Mitigation (ECM) - Square Feet				
For the Period May 1, 2014 through March 31, 2015				
	Beginning ECM Obligation	Additional Obligation	Mitigation	Ending ECM Obligation
Potential Coverage	-	16,030	16,030	-
Hard Coverage	46,609	1,469	-	48,078
Soft Coverage	-	-	-	-
Total Coverage	46,609	17,500	16,030	48,078

2. Restoration Credit

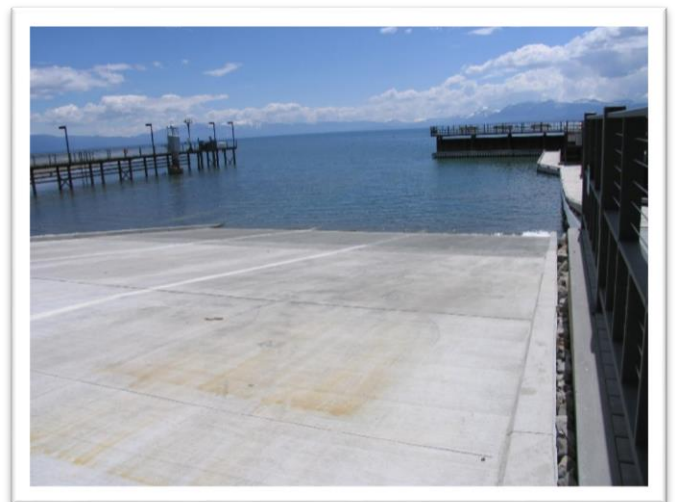
In the Tahoe Basin, new coverage is usually prohibited on highly sensitive lands unless TRPA determines that the coverage is necessary for safety reasons or for public facilities. If TRPA determines coverage is permissible in these highly sensitive areas, the coverage must be mitigated with restoration credits originating from equally sensitive areas that have been successfully restored at a ratio of 1.5 to 1. The Conservancy buys and restores land, and then sells restoration credits primarily through purchases under its Land Bank program and from litigation settlement acquisitions.

Table II					
Restoration Credit - Square Feet					
For the Period May 1, 2014 through March 31, 2015					
Beginning Inventory Balance	Public & CTC Projects	Open Market Transactions	Reserve Balance	Ending Inventory Balance	Restoration Credit Revenue
134,180	(982)	(600)	(105,818)	26,780	\$ 36,550

The Conservancy began FY2014/15 with an inventory of 134,180 feet of restoration credits. The Conservancy then sold 982 square feet to facilitate improvements to the Department of Fish and Wildlife's Boat Ramp in Lake Forest and to Liberty Utility's 7300 Phase 2 Line project, and 600 square feet to a residential development. The Conservancy also reserved 105,818 square feet for the Greenway bike trail, leaving a balance of 26,780. The photos below show the sending and receiving parcels of restoration credit used to support improvements to the Lake Forest Boat Ramp.



Conservancy parcel sending restoration credit

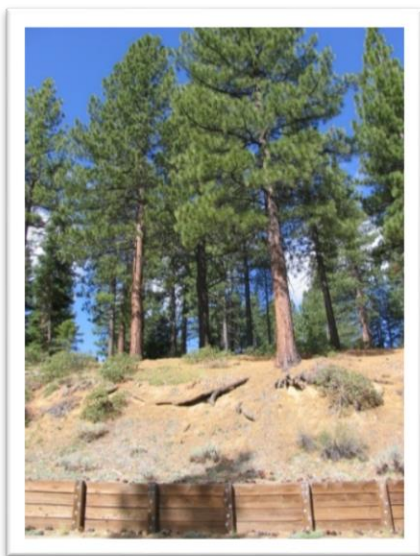


Repaired Boat Ramp receiving parcel

3. *Open Market Transactions*

Homeowners and businesses often rely upon the Conservancy's open market sales to obtain the coverage necessary to secure permits for residential or commercial projects. During FY2014/15 the Conservancy sold 13,640 square feet of coverage through open market sales for approximately \$88,900. Buyers were primarily single family homeowners.

The photos below depict a vacant parcel acquired by the Conservancy which provided land coverage rights to facilitate development of a new residence.



Conservancy parcel sending coverage rights



Private residence receiving coverage rights

B. Land Bank Marketable Rights

Through its acquisitions of developed property, the Conservancy has also acquired a wide range of marketable rights (see Attachment 4 for a list of Land Bank definitions). In addition to coverage, the Conservancy periodically acquires rights such as tourist accommodation units, residential units, and commercial floor area. Such rights are usually sold to parties building or remodeling a commercial site or a multi-family unit(s). The rights are recognized by the various regulatory agencies within the Basin and can therefore be sold or transferred under the proper circumstances.

Table III summarizes the marketable rights the Conservancy acquired and sold in FY2014/15 . The Conservancy acquired 3,214 square feet of Commercial Floor Area (CFA) and two Existing Residential Units of Use (ERUUs) when it acquired and demolished the Alta Mira building along Highway 50 in South Lake Tahoe. The Conservancy also sold one Residential Development Right (RDR) in the City of South Lake Tahoe and one RDR in El Dorado County, for \$1,500 each, and one ERUU in the City of South Lake Tahoe for \$35,000.

Table III						
Land Bank Marketable Rights						
For the Period May 1, 2014 through March 31, 2015						
	Beginning Balance	Marketable Rights Acquired	Cancelled Transactions	Marketable Rights Sold	Ending Balance	Marketable Rights Revenue
Residential Development Rights						
City of South Lake Tahoe	7	-	-	(1)	6	\$ 1,500
El Dorado County	93	-	1	(1)	93	1,500
Placer County	44	-	-	-	44	-
Sub-Total	144	-	1	(2)	143	3,000
Existing Residential Units of Use						
City of South Lake Tahoe	17	2	-	(1)	18	35,000
El Dorado County	2	-	-	-	2	-
Placer County	29	-	(1)	-	28	-
Sub-Total	48	2	(1)	(1)	48	35,000
Tourist Accommodation Units						
City of South Lake Tahoe	5	-	-	-	5	-
Placer County	-	-	10	-	10	-
Sub-Total	5	-	10	-	15	-
Commercial Floor Area*						
City of South Lake Tahoe	228	3,214	-	-	3,442	-
El Dorado County	6,537	-	-	-	6,537	-
Placer County					-	-
Kings Beach	12,312	-	-	-	12,312	-
Camelion Bay	599	-	-	-	599	-
Sub-Total	19,676	3,214	-	-	22,890	-
					-	
Total Marketable Rights	19,873	3,216	10	(3)	23,096	\$ 38,000
*Commercial Floor Area is shown in square feet						

The photos below show the ERUU transfer to allow construction of a mother-in-law unit. The sending parcel contained the Timberlake Motel and now contains public parking.



Conservancy's former Timberlake Motel



Parcel receiving ERUU

Key Land Bank Updates

Legislative Update

Several new statewide and regional planning policies have been adopted in recent years. These policies include SB 375 (2008), TRPA's Lake Tahoe Regional Plan Update, Lake Tahoe Sustainable Communities Strategy, and Proposition 1. These policies are designed to facilitate walkable, bikeable, and transit-friendly communities located in town centers, thereby reducing vehicle trips and greenhouse gas emissions.

Recent Conservancy actions have reflected these new policies. The adoption and update of the Conservancy's Asset Lands Program Guidelines in 2012 and 2014 coupled with a shift in the focus of its acquisition program from small undeveloped parcels to developed parcels on or adjacent to sensitive lands are consistent with these new statewide and regional policies.

In an attempt to better align the Conservancy's enabling statute with these new policies, the Conservancy is seeking legislation to reaffirm its ability to sell, transfer, lease, or exchange parcels or development rights consistent with its existing mission and new statewide and regional policies.

Assembly Bill 1004 would amend Government Code section 66907.8 to clarify the Conservancy's authority to sell, lease, exchange, or transfer real property or interests to fulfil the purpose of its mission and to promote state planning priorities which require projects to be consistent with statewide goals and sustainable communities strategies, consistent with Section 79707, subdivision (i) of the Water Code.

TRPA Commodities Pilot Program Development

Over the past year Conservancy staff had several meetings with TRPA to help shape commodities pilot programs. The Conservancy supports the pilot programs and believe they may help address some of the key issues surrounding transfers of development in the Tahoe basin and the Tahoe Livable Communities (TLC) strategy.

Several new provisions to the pilot programs were identified over the past month. Refinements to the transfer ratio and incentives for restoration of SEZ are being discussed and may be incorporated into the program.

TRPA Coverage Working Group

The TRPA Governing Board requested that TRPA staff complete a detailed review of coverage transfers across hydrologic areas (HRA). During the past year, the Conservancy worked with TRPA staff and stakeholders to consider possible changes to regulations governing coverage transfers across hydrological areas. Working Group recommendations in two program areas are as follows:

Excess Coverage Mitigation (ECM) Program:

- At a minimum, half of the funds shall be dedicated to existing coverage removal and the remaining funds shall be used on Environmental Improvement Projects.
- ECM funds shall not be used for Total Maximum Daily Load (TMDL) obligations or required mitigation through other programs.
- ECM funds should be eligible for the use of acquiring fee title of properties on Land Capability 1a and 1c to retire potential coverage.
- Support was offered for removing the ratio requirement for the existing coverage removal portion of the ECM funds.
- ECM fee will be indexed using the Annual Percentage Growth Rate method devised for the Lake Tahoe Region.

Coverage Program:

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

The working group last convened in January of 2015. TRPA staff continue to work with the TRPA Board and the working group regarding adoption of the recommendations.

List of Attachments:

Attachment 1 – Land Bank Inventory

Attachment 2 – FY2014/15 Land Bank Coverage Transactions

Attachment 3 - California Hydrologic Transfer Areas Map

Attachment 4 – Land Bank Definitions

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ATTACHMENT 1

LAND BANK INVENTORY

The Conservancy has facilitated the development of over 7,000 projects. The table below summarizes the Land Bank's project activity to date, in terms of projects served, coverage provided, mitigation fees collected and revenues earned.

Conservancy Land Bank Cumulative Totals

Projects Facilitated 1988 through March 31, 2015

Project Category		Number of Projects Served	Coverage Provided (Sq. ft.)	Units Provided (Units)	Revenues (\$)
Land Coverage Related	TRPA Excess Coverage Mitigation *	5,915	1,270,276	-	8,421,578
	Open Market Transfers	1,049	785,516	-	5,181,858
	Public Service Transfers:				
	-Sales	39	66,698	-	404,547
	-Exchange or Grant	16	248,889	-	0
	Restoration Credit	84	177,805	-	429,514
	Sub Totals:	7,103	2,549,184	-	\$14,437,497
Other Marketable Rights	Other Marketable Rights:	Projects	Units Provided (Sq. ft.)	Units Provided (Units)	Revenue (\$)
	Commercial Floor Area	8	8,151	-	278,912
	Tourist Units	2	-	16	30,300
	Sewer Units	12	-	29	77,925
	Residential Development Rights	81	-	138	323,650
	Existing Residential Units	7	-	7	310,300
	TOTALS:	7,213 Projects	Coverage: 2,549,184 sq. ft. CFA: 8,151 sq. ft.	190 Units	\$15,458,584

*The number reported for TRPA Excess Coverage Mitigation represents the total fees collected by TRPA over the life of the Program.

ATTACHMENT 2

LAND BANK COVERAGE TRANSACTIONS IN FY2014-15

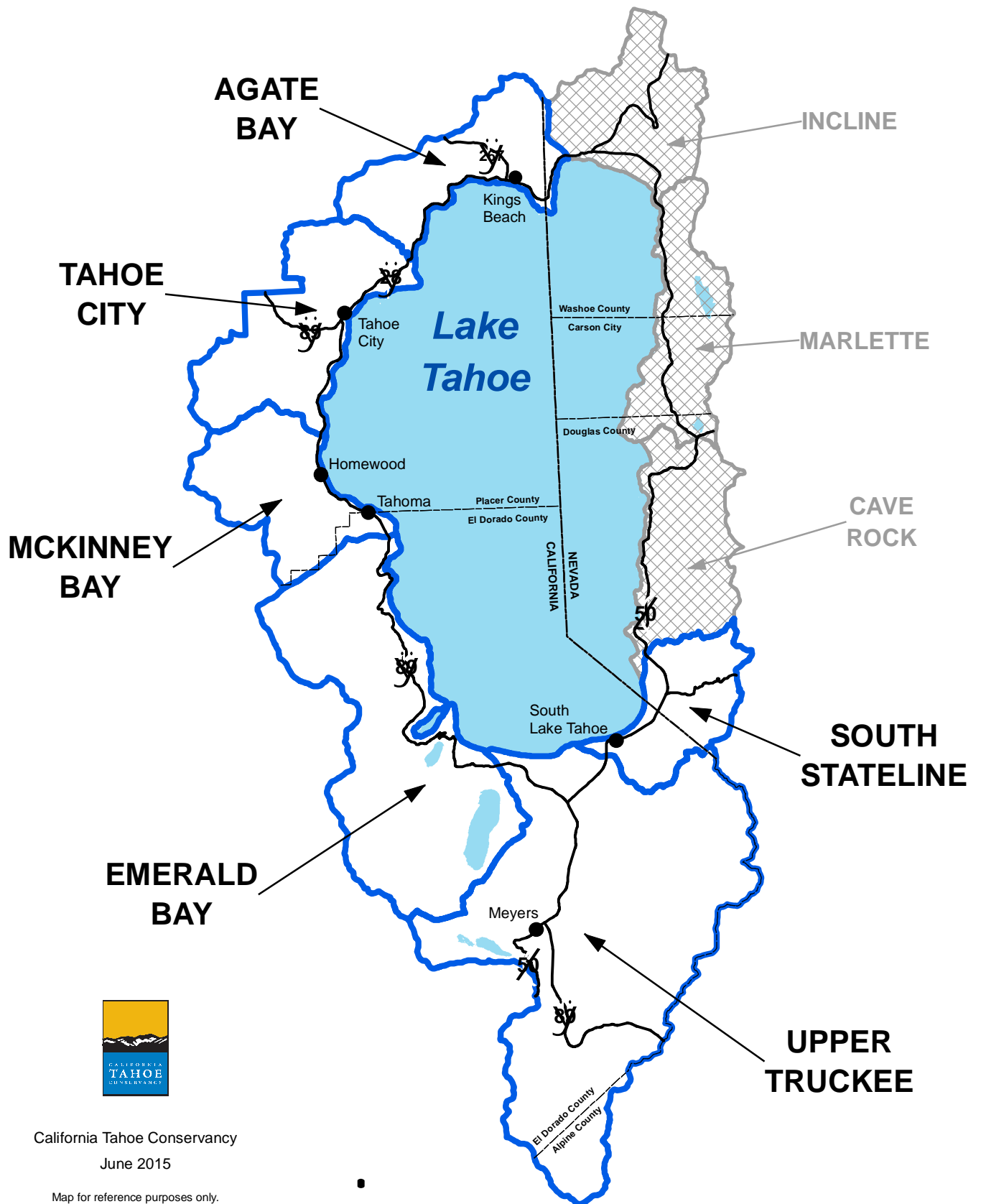
As shown in the Table below, in FY2014-15, the Conservancy acquired, sold, used, or reserved coverage for the following purposes:

- 1) To provide coverage under the excess coverage mitigation fee program
- 2) To provide coverage for Caltrans and Placer County Memorandum of Understanding (MOU) projects
- 3) To provide coverage for public and Conservancy projects
- 4) To sell coverage on the open market to individuals and businesses
- 5) To reserve coverage for future Conservancy and public service projects

Each of these purposes is divided into separate columns in the following table. In summary, the Conservancy began with an inventory balance of 3,486,092 square feet of coverage and restoration credits as of May 1, 2014. During the 11 months ending March 31, 2015, the Conservancy used 16,030 square feet to satisfy excess coverage, sold 1,582 square feet of restoration credit, sold 113,741 square feet of coverage for public service projects and had net open market transactions of 394,638 square feet. The Conservancy had a reserved balance of 1,176,996 square feet of coverage and restoration credit, leaving an ending inventory balance with applied reserves of 2,572,981 square feet as of March 31, 2015.

Land Bank Coverage Transactions - Square Feet								
For the Period May 1, 2014 through March 31, 2015								
	Beginning Inventory Balance	Excess Coverage	CalTrans MOU	Public & CTC Projects	Open Market Transactions	Ending Inventory Balance	Reserve Balance	Ending Inventory Balance with Applied Reserves
South Stateline HRA								
Potential Coverage	697,106	-	-	(113,741)	(2,530)	580,835	(131,299)	449,536
Hard Coverage	-	-	-	-	-	-	-	-
Soft Coverage	-	-	-	-	-	-	-	-
Total Coverage	697,106	-	-	(113,741)	(2,530)	580,835	(131,299)	449,536
Upper Truckee HRA								
Potential Coverage	1,401,648	-	-	-	402,141	1,803,789	(476,052)	1,327,737
Hard Coverage	-	-	-	-	-	-	-	-
Soft Coverage	46,033	-	-	-	-	46,033	-	46,033
Total Coverage	1,447,681	-	-	-	402,141	1,849,822	(476,052)	1,373,770
Emerald Bay HRA								
Potential Coverage	1,200	-	-	-	-	1,200	-	1,200
Hard Coverage	-	-	-	-	-	-	-	-
Soft Coverage	-	-	-	-	-	-	-	-
Total Coverage	1,200	-	-	-	-	1,200	-	1,200
McKinney Bay HRA								
Potential Coverage	35,255	-	-	-	(616)	34,639	(34,639)	-
Hard Coverage	-	-	-	-	-	-	-	-
Soft Coverage	-	-	-	-	-	-	-	-
Total Coverage	35,255	-	-	-	(616)	34,639	(34,639)	-
Tahoe City HRA								
Potential Coverage	610,651	(16,030)	-	-	(112)	594,509	(35,605)	558,904
Hard Coverage	-	-	-	-	-	-	-	-
Soft Coverage	-	-	-	-	-	-	-	-
Total Coverage	610,651	(16,030)	-	-	(112)	594,509	(35,605)	558,904
Agate Bay HRA								
Potential Coverage	555,632	-	-	-	742	556,374	(393,583)	162,791
Hard Coverage	-	-	-	-	-	-	-	-
Soft Coverage	4,387	-	-	-	(4,387)	-	-	-
Total Coverage	560,019	-	-	-	(3,645)	556,374	(393,583)	162,791
Total Coverage	3,351,912	(16,030)	-	(113,741)	395,238	3,617,379	(1,071,178)	2,546,201
Restoration Credit	134,180	-	-	(982)	(600)	132,598	(105,818)	26,780
Grand Total	3,486,092	(16,030)	-	(114,723)	394,638	3,749,977	(1,176,996)	2,572,981

ATTACHMENT 3
California Hydrologic Transfer Areas



ATTACHMENT 4

LAND BANK DEFINITIONS

Allocation = Unit set aside for building. A set number of allocations are granted by the Tahoe Regional Planning Agency (TRPA) to each jurisdiction annually.

Bailey system = Developed in the early 1970's by the TRPA and U.S. Forest Service, Lake Tahoe Basin Management Unit (LTBMU) using U.S. Department of Agriculture (USDA) soils maps, the Bailey system gives all properties in the Lake Tahoe Basin an environmental rating between Classes 1-7. Class 1 is the most environmentally sensitive and contains the least amount of coverage rights. Class 7 is the most suitable for development, and contains up to 30% coverage. All commercial and multi-family properties contain a Bailey Score.

Base allowable land coverage = The amount of coverage that was originally assigned to a parcel under the Bailey or IPES system.

Commercial Floor Area (CFA) = The footprint of a commercial building located within the outer walls and designed for commercial use. Rating is by square footage and does not include stairs, parking areas, and walkways.

Excess Coverage Mitigation (ECM) = A property that is already covered with structures, pavement, etc., is beyond the coverage amount allowed under the TRPA Code of Ordinances. This coverage must be mitigated by retirement of coverage on the same parcel, a different parcel, paying a fee, or by changing the parcel size.

Hydrologically Related Area (HRA) = Groups of watershed areas located in the Basin. There are nine total hydrologic areas, six of which are in California (Attachment 1).

IPES System = Individual Parcel Evaluation System. Designed by TRPA in 1987, the IPES system scores any vacant residential parcel containing road access. Any parcel scored under IPES over-rides the previous Bailey score. The system rates properties between 0-1150 points. Lower scores are more sensitive. Higher scores are more suitable for development.

Land Coverage = Any impervious surface that does not allow water infiltration and plant growth (i.e. house, parking lot). For coverage exceptions, please refer to Chapter 30 of the TRPA Code of Ordinances. Coverage must be transferred within the same hydrologic area and from a more sensitive parcel to a less sensitive parcel. Applies to any IPES parcel or Bailey 4-7.

Potential Coverage = Does not physically exist until transferred. Used for residential projects.

Hard Coverage = Existing or potentially existing man-made commercial structures.

Soft Coverage = Compacted soil without structures.

Marketable Rights = Often simply called rights, they can add value to a property. Depending upon they type of right, it can also potentially add to a property's development potential. Examples include Land Coverage, Residential Development Right, Existing Residential Unit of Use, Restoration Credit, Tourist Accommodation Unit, etc.

Maximum allowable coverage = Base allowable land coverage + transferred coverage = the total coverage allowed based upon TRPA's Maximum Parcel Coverage Table.

Non-Sensitive parcel = Parcels with IPES scores ≥ 726 or Bailey Scores 4-7.

Receiving parcel = Is the recipient of marketable rights from another parcel, such as coverage, Residential Development Right, etc.

Residential Development Right (RDR) = AKA Development Right, is a right used in conjunction with an allocation to potentially develop a residential parcel.

Residential Unit of Use (ERUU) = AKA Existing Residential Unit of Use, is a residential room(s) designed for household living.
RDR + Allocation = ERUU

Restoration Credit = Bailey Class 1-3 parcels can receive SEZ or Class 1-3 Restoration Credit from any parcel in the basin. It is not hydrologic-area specific. Very stringent TRPA regulations restrict new impervious surfaces in sensitive areas. This right must be purchased at 1.5 times the need. It is similar to coverage, but is a different type of right than coverage.

Rule of Relative Sensitivity = Applies to residential parcels. Coverage must be transferred from a more sensitive parcel to a less sensitive parcel. (Example: Parcel IPES score of ≤ 700 transferred to a Parcel IPES score of ≥ 700 .)

Sending parcel = Transfers marketable rights to another parcel, such as coverage, Residential Development Right, etc.

Sensitive Land = Parcels with IPES scores 0-725 or Bailey Scores 1-3.

Stream Environment Zone (SEZ) = An area that contains water at or near the ground surface and/or vegetation that lives in or near water.

Tourist Accommodation Unit (TAU) = A living unit designed to be rented on a temporary basis, such as a motel unit.

Vacant parcel = Is undeveloped, but may contain certain marketable rights such as coverage, Residential Development Right, etc.