

STAFF REPORT

Date: March 27, 2024

To: Mayor and City Council

Through: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Ordinance Introduction – Bill No. _____ Case No. TXT24-00001 (Title 18 – Affordable Housing Initiatives) Ordinance amending the Reno Municipal Code Title 18, “Annexation and Land Development,” specifically in Chapter 18.03 “Use Regulations,” Section 18.03.206 “Table of Allowed Uses,” Section 18.03.302 “Residential Uses,” Chapter 18.04 “Development Standards,” Section 18.04.905 “Additional Standards for Multi-Family District,” Section 18.04.1503 “Incentives for Affordable Housing,” and Section 18.04.1504 “Density Bonus Incentives for Small Unit Sizes,” in order to expand which zoning districts duplex, triplex, and fourplex units are allowed; expand which zoning districts live/work, multi-family and single-family attached uses are allowed; amend use standards for residential uses; amend triggers for entitlements for residential uses with less than 100 units; relocate the standards for density bonuses in multi-family districts to a different section of the zoning code; add exemptions from entitlement review for affordable housing projects; add expedited building permit processes for affordable housing projects; modify the density bonuses for affordable housing projects; and to increase the density bonuses for small unit sizes; together with matters which pertain to or are necessarily connected therewith.

From: Angela Fuss, Assistant Director of Development Services

Department: Development Services

Summary:

This is a request to amend Reno Municipal Code (RMC) Title 18 to incorporate initiatives to address housing needs. Housing supply and affordability continue to be a top priority for the Reno City Council. Staff has been working on a number of different housing strategies tied to the Title 18 Zoning Code. This includes providing incentives for affordable housing developments, density bonuses for infill areas, flexibility for developing different housing products/types, and allowing for more residential projects to go straight to a building permit (by-right). At the February 7, 2024, public hearing, the Planning Commission recommended that Council adopt the

housing initiatives. Five out of the seven commissioners voted to approve staff's recommendation and to intensify the housing initiatives even further by including some additional amendments. Planning Commission recommends Council approve the proposed text amendment with the Commission's recommended amendments.

Alignment with Strategic Plan:

Economic Opportunity, Homelessness, and Affordable Housing

Previous Council Action:

November 1, 2023 – Council directed staff to separate the Zoning Code Clean-Up housing initiatives from the rest of the clean-up items and bring the housing items back to Council for a discussion.

December 6, 2023 – Staff presented the proposed housing text amendments impacting Title 18. Council provided feedback.

Background:

On June 8, 2022, Council initiated a series of text amendments related to the Title 18 Annexation and Land Development Code (i.e. Zoning Code). This included updates to address affordable housing and the creation of new ordinances on accessory dwelling units (ADUs) and short-term rentals (STRs). In addition to the housing initiatives, Assembly Bill (AB) 213, which passed in the 2023 legislative session, requires, among other items, that on or before July 1, 2024, the governing body of each jurisdiction shall enact by ordinance, an expedited process for affordable housing, and incentives that encourage affordable housing. The proposed changes to the zoning code include incentives and expedited review process improvements that address the requirements outlined in AB213, as well as initiatives to promote infill, increase density, encourage more “missing middle” housing products, and expedite market rate development review. Ordinances addressing ADUs and STRs are not part of this text amendment and will be brought forward at a future time. AB213 includes additional requirements that are being addressed administratively, including process, reporting, and timing requirements related to housing projects.

Public input on the proposed housing initiatives was gathered in the month of January through three virtual stakeholder meetings. Outreach for the stakeholder meetings was shared with stakeholders and Neighborhood Advisory Board (NAB) members through e-mail, posted through the City of Reno social media, shared through local news media, shared on Nextdoor.com and the meeting recordings were posted on the City of Reno website. The three stakeholder meetings generated approximately 150 participants. Feedback was generally in support of the proposed changes. Those opposed to the changes brought up concerns about approving too much development, changing the character of neighborhoods, and not allowing the public to have input

in development projects. Many in favor of the proposed changes asked why staff was not proposing more aggressive changes.

Discussion:

Details on each of the housing initiatives can be found in **Exhibit D – PC Staff Report for February 7 2024 Meeting**. The proposed housing initiatives are broken down into four main categories consisting of:

- Affordable housing incentives
- Density bonus for market-rate development
- By-right approvals
- “Missing middle” development

At the February 7, 2024, Planning Commission hearing, the Commission recommended that Council adopt the proposed text amendment. The draft Planning Commission meeting minutes are included in **Exhibit C**. Five of the seven Commissions voted to intensify the recommendations even further by:

- Allowing buildings to increase by two stories if the project meets affordability requirements.
- Allowing for duplex, triplex, and fourplex development in all single-family (SF) zoning districts (SF-3, SF-5, SF-8, and SF-11) by-right.
- Removing the requirements for minor and major deviations to setbacks if the projects meet affordability requirements.
- Removing minimum parking requirements if the project meets affordability requirements.

Two of the Commissioners supported staff’s recommendations but felt the additional intensification proposed by the Planning Commission was too much. More specifically, Commissioner Munoz had concerns that the Ward 4 area may not have sufficient infrastructure and amenities to support more housing at this time. He stressed that the additional changes proposed would be good for the City, but may not be right for Ward 4. Commissioner Villanueva also supported staff’s recommendations but had concerns that all the changes could be too much too quickly and could potentially create conflicts with maintaining the aesthetic nature that comes with living in the City of Reno. Commissioner Becerra asked if the proposed changes could be approved on a trial basis for 6 to 12 months or only allow the changes within a geographic boundary, such as within the McCarran loop, to better understand the impacts before approving the changes. Staff responded that the proposed changes will need to be in place for several years before we see the ultimate impacts to development.

Commissioner Velto stated that this is a good opportunity to make a difference in the zoning

code and to increase affordable housing for the community. He proposed intensifying the staff recommendations by allowing for taller buildings and greater flexibility in building setbacks for affordable housing projects and allowing for more development (i.e. duplex, triplex, fourplex) by-right. Commissioner Rohrmeier supported being more proactive and cited the fact that Reno has become a very desirable place to live, however, the housing supply is too few and too expensive. She emphasized the need to do everything we can now to address the housing crisis issue and also proposed removing parking requirements for affordable housing projects.

Staff also had one minor amendment that was shared during the Planning Commission meeting to revise how the density bonus was calculated. The Planning Commission approved staff's recommendation.

Financial Implications:

None at this time.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

The Planning Commission recommends Council adopt the text amendment by ordinance.

Proposed Motion:

I move to uphold the recommendation of the Planning Commission and refer Bill No. _____ for a second reading and adoption

Attachments:

Exhibit A - Ordinance

Exhibit B - TXT24-00001 Housing Initiatives Public Comment (3 7 2024)

Exhibit C - Draft February 7, 2024 PC Minutes

Exhibit D - PC Staff Report for February 7 2024 Meeting

Title 18 Affordable Housing Initiatives Legal Notice