

STAFF REPORT

Date: November 8, 2023

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Resolution of the Reno City Council to sunset the 1,000 Homes in 120 Days program (Resolution No. 8729); together with matters which pertain to or are necessarily connected therewith.

From: Angela Fuss, Assistant Director of Development Services

Department: Development Services

Summary:

The 1,000 Homes in 120 Days program was adopted by City Council through Resolution No. 8729 in October of 2019. The purpose of the program was to accelerate the construction of new residential units within the urban core by deferring building permit and sewer connection fees over a five year period of time. While there were no deadlines as to when projects had to be constructed, the intent was to reduce upfront costs and get housing to market faster. Due to COVID and changing market and economic conditions, many of the development projects that were included in the program were slow to move forward or are no longer moving forward. Staff is recommending that the 1,000 Homes in 120 Days program be sunsetted. Any projects that are either currently in building permit review or under construction would still qualify for the program, but any projects that have not yet submitted for a building permit by December 31, 2023, would no longer be eligible. Staff is recommending Council adopt the resolution and sunset the 1,000 Homes in 120 Days program.

Consent Review	Yes	No
1. Is this item an annual or standard item that comes before Council for regular approval?		X
2. Is this item an agreement required based on an item previously approved by Council?	X	
3. Is this item included in the current budget approved and adopted by Council?		X
Other Considerations		
What percent of the total city budget does this item represent?	NA	

Alignment with Strategic Plan:

Economic and Community Development

Previous Council Action:

May 26, 2021 – Council reallocated previously approved fee deferrals between projects owned by Marmot.

August 12, 2020 – Council approved the increase in units for the Pacific Development project from 400 units to 752 units.

July 29, 2020 - Council approved a Resolution, authorizing the City Manager to execute assignment of fee deferral agreements under the 1,000 Homes in 120 Day program to affiliated entities.

February 12, 2020 – Council approved Ordinance No. 6542, establishing a Building Permit and Sewer Connection Fee Deferral of five years for approved projects pursuant to Resolution No. 8729 (1,000 Homes in 120 Days Program) and the Executed Development Agreement for fee deferral.

January 22, 2020 – Council approved the list of applicants for the 1,000 Homes in 120 Days program and authorized staff to enter into agreements with those applicants.

December 11, 2019 - Council received an update on the program status and number of applications received to date. At that time Council directed staff to continue to receive applications above and beyond the initial limit of 1,000 units, and to consider projects that are outside of the initial boundary but that further the City's objectives of promoting infill development.

October 2, 2019 – Council approved Resolution No. 8729, creating and setting forth the general parameters for the 1,000 Homes in 120 Days program.

Background:

Developers had until January 30, 2020 to apply to be a part of the 1,000 Home in 120 Days program. While the intent of the program was to bring housing to market, there were no deadlines as to when the projects had to be constructed. A total of 33 development projects were accepted, encompassing 4,857 new residential units. To date, 123 units have been constructed and are now occupied. Approximately 611 units are in the building permit review process and another 1,035 units are under construction.

The program works by allowing for an interest free, five year repayment structure. The payments start one year after issuance of the buildings certificate of occupancy. Payments of 20 percent of the total fee deferral amount are due annually, over the course of the five years. At the end of five years, the fees are paid to the City.

Discussion:

The program was intended to offer financial incentives to bring housing to market faster. The program was not intended to last indefinitely and was approved to provide a limited term strategy to encourage private residential development to begin construction sooner than it might otherwise if the City were not to provide incentives. With over 1,000 units currently under construction and another 611 units in the building permit phase, the program has achieved the goal of bringing housing to market.

It should also be noted that through the Zoning Code Clean-Up work, additional regulations are proposed that would help get housing to market faster. Some of these recommendations include:

- Allowing multi-family uses in more zoning districts
- Allowing projects with less than 100 units to be allowed by-right
- Additional allowances for density bonuses in infill areas

The table below provides a breakdown of where each of the 33 approved projects are in the development process.

Name	Address	Approved # New Units	Units Currently in Process to be Deferred	Project Status	Amount Deferred
Stevenson Apts	344 W. 2nd Street	72	69	Built	\$ 361,421.66
Greyhound Bus	155 N Stevenson Street	210	0	No Activity	
661 Lake	600 N. Center Street	475	277	In Building Permit Review	TBD
Cal Ave Studios	422 California Avenue	36	36	Built	\$ 201,949.78
CAI - Condos	260 Island Avenue	46	0	No Activity on the Residential	
Urban Lion	700 Riverside Dr.	34	34	Under Construction	\$ 207,558.12
Ballpark Apartments	201 Evans Avenue	752	368	Under Construction	\$ 1,809,838.99

S3 Development	555 N. Vine St (updated to 803 W. 5th Street)	302 (building permit for 296 units)	296	In Building Permit Review	TBD
Senior Housing	Washington & Winter Streets	160	0	Used the Sewer Waiver Program instead of the 1000 Homes Deferral	
Pine St Townhomes	SE corner Pine & Sinclair Streets	49	0	In Process for Site Work but Not for Building Permits	
Redfield 64	205-235 Redfield Parkway	64	32	In Building Permit Review	\$ 169,845.49
TBD	560 S. Center	215	0	No Activity	
TBD	880 E. Plumb	45	0	No Activity	
TBD	SW corner Pine & Sinclair Streets	47	0	No Activity	
Marmot	12/22 W. Taylor Street	5 (Council reapportioned their units to 6)	6	In Building Permit Review	TBD
Marmot	356 W. 11 Street	1	0	Removed from Program	
Marmot	122 Caliente	2	0	Removed from Program	
Marmot	1065 Haskell	4	0	Removed from Program	
Marmot	529 Stewart Street	8 (Council reapportioned the units to 18-24)	0	No Activity	
Marmot	121 Vesta	36 (Council reapportioned their units to 47)	40	Under Construction	\$ 198,734.46

Marmot	335 Roberts	2	0	Removed from Program	
Marmot	215/217 Moran	2	0	Removed from Program	
Marmot	430 Moran	3	0	Removed from Program	
South Wells	0 Stewart Street	69	0	No Activity	
290 Keystone	290 Keystone	268	0	No Activity	
TBD	1415 Ranger Road	8	0	No Activity	
TBD	550 N. Virginia	261	0	No Activity	
TBD	1447 N. Virginia	196	0	No Activity	
320 Grand Canyon Reno LLC	320 Grand Canyon Blvd.	18	18	Completed	\$ 99,986.04
EFO State Street LLC	301 State Street	66	66	Under Construction	\$ 391,531.46
Park Lane - Lyon Living	Park Lane	1,185	0	Did Not Participate in Program	
Reno City Center	Harrah's Conversion	527	527	Under Construction	\$ 209,918.47
TBD	West 4th Street	40	0	No activity	

The proposed sunset date for the program would be effective January 1, 2024. Projects would have until December 31, 2023 to submit for a building permit and still be a part of the program. Any projects included in 1,000 Homes in 120 Day program that do not submit a building permit by December 31, 2023 would no longer be able to use the fee deferral.

Financial Implications:

Sunsetting the 1,000 Homes in 120 Days program will eliminate any further building permit or sewer connection fee deferrals. The existing fee deferrals will remain in process. The final fee deferral amount is determined at the last stage of the building permit review and several projects are still in that review.

Legal Implications:

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

Recommendation:

Staff recommends City Council adopt the resolution and sunset the 1,000 Homes in 120 Days program (Resolution No. 8729).

Proposed Motion:

I move to support staff's recommendation.

Attachments:

Resolution to Sunset the 1000 Homes in 120 Days program
Resolution 8729 - Emergency Housing Resolution