



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: November 14, 2023

DATE: October 13, 2023

TO: Board of County Commissioners

FROM: Kelly Mullin, AICP, Division Director, Planning and Building,
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THROUGH: Dave Solaro, Arch., P.E., Assistant County Manager
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SUBJECT: Recommendation to: (1) confirm or modify the proposed prioritization of efforts to spur the creation of affordable housing and increase housing supply, including streamlining associated permitting processes, removing unnecessary regulatory barriers, and establishing incentives to create affordable housing units, which are FY24 Strategic Plan Initiatives; and (2) initiate amendments to Washoe County Code (WCC) Chapter 110 (Development Code) pursuant to WCC Sections 2.030 and 110.818.05 to create the necessary code language for the first in a series of amendments intended to implement the Board's policy direction on this topic. Subject to applicable legal limitations, the initial amendments may include, but are not limited to: reducing permitting requirements and providing greater flexibility in establishing accessory dwelling units; creating a definition, standards, and potential incentives for construction of "junior" accessory dwelling units; and ensuring Development Code standards for manufactured homes are consistent with Nevada Revised Statutes (NRS). Should the Board initiate such amendments, the Board is asked to direct the County Clerk to submit the request to the District Attorney for preparation of the proposed ordinances in accordance with WCC 2.040. (All Commission Districts.)

SUMMARY

Washoe County's FY24 Strategic Plan identifies the creation of affordable housing and increasing housing supply as key initiatives spanning two of the County's strategic objectives – both Vulnerable Populations and Economic Impacts. The Board of County Commissioners (Board) is asked to provide direction to staff on prioritizing proposed efforts, which include a series of potential code amendments. If the Board agrees with the recommended priority order, the Board is asked to initiate the first set of code amendments to Washoe County Code ("WCC") Chapter 110 per WCC Sections 2.030 and 110.818.05 and direct the County Clerk to submit a request to the District Attorney to draft the proposed ordinance. When the proposed ordinance is complete, the Planning Commission

AGENDA ITEM # _____

will hold a public hearing and provide a recommendation prior to it being scheduled for an Introduction and First Reading by the Board.

Washoe County Strategic Objectives supported by this item: Economic Impacts and Vulnerable Populations.

PREVIOUS ACTION

On January 25, 2023, the Board provided input on the creation of the FY24 Strategic Plan, including topics related to affordable housing and diversification of housing types. The Board identified that they were interested in creating incentives, but not mandates, to increase the creation of affordable housing in the unincorporated County by developers and property owners.

BACKGROUND

The County's FY24 Strategic Plan calls for streamlining planning and permitting processes, softening standards that create unnecessary barriers, and exploring incentives to spur the creation of affordable housing and a broader range of housing types in unincorporated Washoe County. The Envision Washoe 2040 Master Plan is scheduled for Board adoption the same day as this item and further identifies several policies and action items associated with these goals. The Master Plan focuses on efforts that can be completed over the next 10-20 years, while the County's Strategic Plan covers a 1-3 year horizon.

In order to best focus staff resources to achieve these goals, the Board is asked to confirm or modify proposed next steps for FY24 initiatives related to affordable housing and diversification of housing types, using staff recommendations as a potential guide for prioritization. The intent of this action is to ensure that staff efforts align with Board priorities.

A series of code changes are proposed in distinct "packages" to maintain forward momentum on goals and to allow "easy wins" to be implemented prior to more complicated/time-consuming changes. All code amendments are subject to a public process that includes, at a minimum, a public workshop, Planning Commission hearing, and two Board meetings. Proposals and ordinance language will be drafted in close coordination with the District Attorney's Office.

It should be noted that streamlining non-codified planning and permitting processes for residential development is currently occurring and will continue to occur on an ongoing basis. Additionally, the code amendment work identified below will be accompanied by new educational resources about accessory dwellings, tiny homes, manufactured homes, and affordable housing incentives. These will be created as code changes are implemented.

Proposed Code Amendment Order

1. Priority Package 1: Focus on accessory dwellings and manufactured homes.

- Develop recommendations for more broadly allowing accessory dwellings by right (i.e. no discretionary permit needed). Subject to applicable legal limitations and depending on community and stakeholder input, this may be based on property

characteristics such as regulatory zone or property size. *Note that this would only apply to areas outside the Tahoe Basin, as modifying standards within the Tahoe Basin require a separate amendment process;*

- Provide more flexibility in accessory dwelling standards (ex. adjusting maximum size limitations, parking standards, etc.);
- Create incentives for construction of junior accessory dwellings (commonly defined as those 500 square feet in size or smaller); and,
- Align County Code provisions on manufactured homes with state statutes (i.e. no longer 1,200 sq. ft. minimum).

Should this package be initiated by the Board today, the amendments are expected to be presented to the Planning Commission in January 2024.

2. Priority Package 2: Focus on permits and standards for residential uses.

- Staff to develop recommendations for when it may be appropriate to replace discretionary reviews with set standards for certain types of residential projects (ex. in many areas, duplexes require a public hearing before the Board of Adjustment, and it may be appropriate to allow them by-right as long as certain requirements are met);
- Assess and reduce potential barriers to multi-family/attached residential developments (ex. requirements for setbacks, minimum lot size, minimum landscaping amounts, etc.);
- Update housing definitions; and,
- Modify area-specific code sections to ensure they align with accessory dwelling standards from Package 1.

3. Priority Package 3: Focus on incentives for affordable housing projects and diversifying housing types.

- Staff to develop and recommend incentives specific to affordable housing developments that target parking, potential density bonuses, and other standards-based incentives;
- Recommend incentives and reduced barriers for “starter homes” (i.e. smaller homes on smaller lots) where appropriate;
- Consider changes to density limits in commercial regulatory zones; and,
- Consider updates to manufactured home park standards and creation of “tiny home park” standards.

4. Future work: A future code amendment package will also investigate if there are areas where targeted up-zoning may be appropriate. Additionally, potential options for development fee reductions or waivers will be investigated during FY24.

Related Efforts by Washoe County and Partner Groups/Agencies

Although the action before the Board is to confirm near-term priorities for housing-related amendments, it may be helpful to draw attention to the following related efforts.

- **FUSE Fellow:** Washoe County has partnered with national nonprofit FUSE to make progress on our affordable housing initiatives. FUSE embeds executive-level

professionals within local government agencies for a 12-month fellowship program to make progress on critical challenges facing their community. The intent is to “accelerate innovation, enhance capacity, and drive meaningful change.” The County’s fellow for affordable housing is scheduled to start in late October 2023.

- **Tahoe Regional Planning Agency (TRPA):** TRPA is in the process of designing density, coverage, and height incentives for achievable housing projects located in town centers within the Tahoe Basin. These are expected to be finalized in early 2024 for jurisdictions to implement after they are adopted by TRPA. Should the County enact these changes, they would be applicable to the Incline Village and Crystal Bay area only.
- **Tahoe Prosperity Center (TPC):** The TPC presented the Washoe-Tahoe Housing Partnership’s Housing Roadmap to the Board for acknowledgement in July 2023. The roadmap included a series of recommendations for Washoe County to consider related to the affordable and workforce housing shortage in the Incline Village / Crystal Bay area, including a recommendation to place a cap on short-term rentals, allowances for accessory dwellings in the Tahoe Basin (currently prohibited on parcels smaller than 1 acre), defining mixed use standards, reducing discretionary permit requirements in certain circumstances, offering density/coverage/parking incentives and priority processing for affordable housing projects. These recommendations will be considered as part of the Tahoe Area Plan amendment process.
- **Tahoe Area Plan amendment:** There are a series of potential housing-related changes being considered for the Tahoe planning area. These amendments would be completed through a separate process subject to conformance review by TRPA. As the process is distinct and subject to a significantly longer timeframe, they are not included here. The Tahoe Area Plan amendment is referenced separately as part of the Master Plan implementation/prioritization agenda item heard today by the Board.

FISCAL IMPACT

No fiscal impact is anticipated at this time, apart from staff resources that will be used to process the amendments. Should staff identify feasible options for reducing or waiving development fees associated with affordable housing projects, recommendations will be provided to the Board for consideration at that time. Similarly, should future Tahoe-specific amendments require an environmental assessment to meet Tahoe Regional Planning Agency requirements, an item will be brought to the Board seeking budget authority for consultant assistance, if needed.

RECOMMENDATION

It is recommended that the Board confirm or modify the proposed prioritization of efforts; and if the Board is in agreement with staff’s recommended order, initiate the first set of code amendments identified as Priority Package 1.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:

“Move to:

- (1) Confirm [or modify by re-ordering] the proposed prioritization of efforts to spur the creation of affordable housing and increase housing supply, including streamlining associated permitting processes, removing unnecessary regulatory barriers, and establishing incentives, which are FY24 Strategic Plan Initiatives;
- (2) Initiate amendments to Washoe County Code (WCC) Chapter 110 (Development Code) pursuant to WCC Sections 2.030 and 110.818.05 to create the necessary code language for the first in a series of amendments intended to implement the Board's policy direction on this topic. The initial amendments may include, but are not limited to: reducing permitting requirements and providing greater flexibility in establishing accessory dwelling units; creating a definition, standards, and potential incentives for construction of “junior” accessory dwelling units; and ensuring Development Code standards for manufactured homes are consistent with Nevada Revised Statutes (NRS);
and
- (3) Direct the County Clerk to submit the request to the District Attorney for preparation of the proposed ordinances in accordance with WCC 2.040.”

Attachment:

- A. Letter from Assistant County Manager requesting code amendments