

#### REGIONAL TRANSPORTATION COMMISSION OF WASHOE COUNTY

#### REGIONAL ROAD IMPACT FEE **TECHNICAL ADVISORY COMMITTEE MEETING AGENDA**

THURSDAY, JULY 23, 2020, 8:30AM-10:00AM **Regional Transportation Commission** 1<sup>st</sup> Floor Conference Room 1105 Terminal Way, Reno, NV 89502

#### Meeting via teleconference only pursuant to NRS 241.023 and Emergency Directive 006.

#### PUBLIC NOTICE

- Pursuant to Section 1 of Governor Steve Sisolak's Declaration of Emergency Directive 006 ("Directive 006"), the requirement contained in NRS 241.023(1)(b) that there be a physical location designated for meetings of public bodies where members of the public are permitted to attend and participate has been suspended. Pursuant to Section 3 of Directive 006, the requirements contained in NRS 241.020(4)(a) that public notice agendas be posted at physical locations within the State of Nevada has likewise been suspended. Pursuant to Section 5 of Directive 006, the requirement contained in NRS 241.020(3)(c) that physical locations be available for the public to receive supporting material for public meetings has been suspended. The meeting will be streamed live via the RTC YouTube channel and can be watched by following this link: bit.ly/RTCWashoeYouTube
- The Regional Road Impact Fee Technical Advisory Committee (RRIF TAC) has a standing item for accepting public input on topics relevant to the jurisdiction of the RTC. Because specific items may be taken out of order to accommodate the public and/or the RRIF TAC, public input on all items will be received under Item 2. Individuals providing public input will be limited to three minutes. Members of the public may provide public comment and also comment on Agenda Items without being physically present at the meeting by submitting their comments via online Public Comment Form (https://www.rtcwashoe.com/about/contact/contact-form/), or by emailing their comments to: rtcpubliccomments@rtcwashoe.com. Public commenters may also leave a voicemail at (775) 335-0018. Comments received prior to 4:00 p.m. on July 22, 2020, will be entered into the record.
- The RRIF TAC may combine two or more agenda items for consideration and/or may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.
- Requests for supporting documents and all other requests should be directed to RTC Engineering & Construction at 775-348-0171. Supporting documents may also be found on the RTC website: www.rtcwashoe.com. In addition, a member of the public may request supporting materials electronically from Lee Anne Olivas at the following email address: lolivas@rtcwashoe.com.
- ٧. The RTC appreciates the public's patience and understanding during these difficult and challenging circumstances.

**ROLL CALL**			
ITEM 1	Approval of Agenda (For Possible Action)		
ITEM 2	Public Comment - please read paragraph II near the top of this page		
ITEM 3	Update on 2050 Regional Transportation Plan (No Action Required)		
ITEM 4	7 <sup>th</sup> Edition RRIF General Administrative Manual Potential Discussion Items (For Possible Action)		
ITEM 5	Impact Fees for Affordable Housing (For Possible Action)		
ITEM 6	Public Comment - please read paragraph II near the top of this page		
ITEM 7	Member Items		
	a) next RRIF TAC meeting: TBD		

ITEM 8 Adjournment (For Possible Action)

The Committee **may** take action on any item noted for possible action

Posting locations: Washoe Co Admin Bldg, 1001 E. 9th St., Reno, NV; RTC, 1105 Terminal Way, Reno, NV; 4th STREET STATION, 200 E. 4th St., Reno, NV; CENTENNIAL PLAZA, Victorian Square, Sparks, NV; Sparks City Hall, 431 Prater Way, Sparks, NV; Reno City Hall, 1 E. First St., Reno, NV; Incline Village General Imp. Dist., 893 Southwood Blvd., Incline Village, NV; area press & media via fax; RTC website www.rtcwashoe.com.

July 23, 2020 <u>AGENDA ITEM 2</u>

**TO:** Regional Road Impact Fee Technical Advisory Committee (RRIF TAC)

**FROM:** Blaine Petersen, P.E.

Project Manager

**SUBJECT:** Public Input

This agenda item allows the public the opportunity to provide information on topics within the jurisdiction of the Regional Road Impact Fee Technical Advisory Committee (RRIF TAC). Any person wishing to wait to provide public comment on a specific agenda item should indicate that item number on the "comment" card. The RRIF TAC reserves the right to take all public comment during Public Input. Individuals addressing the RRIF TAC during the Public Input portion of the meeting will be limited to three minutes total. However, an individual acting as a spokesperson for a group of individuals may request additional time. Individuals are expected to provide public input in a professional and constructive manner.

July 23, 2020 <u>AGENDA ITEM 3</u>

**TO:** Regional Road Impact Fee Technical Advisory Committee (RRIF TAC)

**FROM:** Dan Doenges, PTP, RSP

Planning Manager

**SUBJECT:** Update on the 2050 Regional Transportation Plan (RTP)

#### **RECOMMENDATION**

Acknowledge receipt on the 2050 Regional Transportation Plan (RTP) Transportation Project Alternatives.

#### **SUMMARY**

The development of the 2050 Regional Transportation Plan is underway. The purpose of the plan is to identify the long-term guiding principles and goals for the regional transportation system and to identify the projects, programs, and services that will be implemented through 2050. This plan will be based on a robust community engagement process and conducted in collaboration with partner agencies. The plan will address the safety, mobility, connectivity, and traffic operations issues that are resulting from strong population and employment growth in the region. Federal regulations require that the long range planning document be updated every four years. The current RTP approval extends through May 2021.

Staff is currently seeking input on transportation improvement projects, programs, and services that should be considered for inclusion in the 2050 RTP. Projects in the current (2040) RTP which have not been completed or initiated will be evaluated to determine if they still appropriately meet regional transportation needs. In addition, there are some new project recommendations from recently completed planning studies such as the South Meadows Area Multimodal Transportation Study and the University Area Multimodal Transportation Study. Similarly, there are several improvement projects that have been suggested by agency representatives and members of the public in response to development and growth in population and employment throughout the region. On June 22, the RTC launched an online survey to solicit ideas from the public on other potential projects, and the responses will be compiled for consideration in the 2050 RTP.

July 23, 2020 <u>AGENDA ITEM 4</u>

**TO:** Regional Road Impact Fee Technical Advisory Committee (RRIF TAC)

**FROM:** Blaine Petersen, P.E.

Project Manager

**SUBJECT:** 7<sup>th</sup> Edition RRIF General Administrative Manual Overview Discussion Items

#### **RECOMMENDATION**

Acknowledge receipt of potential changes raised during the approval of the  $6^{th}$  Edition RRIF Capital Improvement Plan/General Administrative Manual and provide direction.

#### **SUMMARY**

During the process of adopting the  $6^{th}$  Edition RRIF CIP/GAM, a variety of questions were raised regarding the impact fee program. The issues raised are summarized in Attachment 1.

Attachment

Below is a list of discussion items brought up during the 6<sup>th</sup> Edition RRIF GAM/CIP approval process, along with RTC responses and other items that could be incorporated into the 7<sup>th</sup> Ed RRIF GAM/CIP.

#### 1. Redefine Service Areas/Benefit Districts

- Exclusion of Urban Core/Walkable Communities to encourage redevelopment.
- Change Service Areas to Inside/Outside McCarran.
  - O RRIF fees are intended as a regional program to address the new trips on the regional road network. Due to the size of our community, trips typically cross over all boundaries, ie, between service areas, downtown to urban/suburban areas. Trips from the core vs suburb/rural areas affect the entire regional network.
  - o If impact fees are waived/reduced, other impact fee areas would be required to pick up the cost for the needed improvements or other funding sources used to supplement the program.
  - o Smaller Service Areas would distribute the cost of the capacity improvements within the Service Area over a smaller number of new developments. This could result in a single project causing a higher impact fee or no impact fee if no capacity projects are programmed within a smaller Service Area.

#### 2. TMRPA Development Model

- Adjust Population/Employment assignments to include opinions from local jurisdictions, ie, if they are seeing a development that is moving faster than that shown in the TMRPA model.
  - o RTC will discuss with TMRPA staff as part of the 2018 Consensus Forecast & 2050 RTP Update.
- Review factors used to determine the amount of potential development shown in the TMRPA Development Model, ie, adjust to account for land required for basin retentions, roadways, etc. (similar to terrain adjustments). Establishing a Build Out Model for both the TMRPA Development Model and RTC's Travel Demand Model.
- Use the RTC's Travel Demand Model output for VMT Growth by RRIF Service Areas, in lieu of separate calculations using population/employment information from TMRPA for the RRIF fee calculations.

### 3. Regional Transportation Plan

- The RTP/RRIF CIP should encourage walkability over congestion relief.
- The RTP/RRIF CIP should be based on the newly adopted Regional Plan.
  - o The 2040 RTP was based on the 2012 Regional Plan, in effect at the time of adoption of the RTP. The aims of the 2012 Regional Plan included goals to minimize sprawl by directing growth to the core, promoting infill, and transit

- oriented development are similar to those expressed in the 2019 Regional Plan.
- o The 6<sup>th</sup> Ed RRIF update started after the 2040 RTP was adopted in 2017 and was based on the plans and development approvals in effect at the time of the 2040 RTP.
- The Regional Plan is just the first step in a long process to develop the impact fee, ie,
  - Update to TMRPA Development Model based on Regional Plan and new development approvals.
  - Distribution of Consensus Forecast population and employment in the Development Model.
  - Analysis of the Travel Demand Model to determine new capacity needs on the regional road network.
  - Development of the Regional Transportation Plan which includes a fiscal analysis of anticipated funds.
  - Development of the cost estimates for the projects listed in the RTP/RRIF CIP.
  - Determination of 10 year growth for the RRIF CIP.
- The process to develop the fees involves technical analyses, which take time and are reviewed by the RRIF TAC, RTC TAC, RTC CMAC, and RTC Board before being brought to the local jurisdictions for approval.
- o The 2050 RTP will use the new Regional Plan to develop a new list of road improvement projects to meet the intent of the Plan. The RTP process typically takes 1½ years to complete. Once road improvement projects are identified, the RRIF TAC would begin the update for the 7<sup>th</sup> Ed of the RRIF Program.

#### 4. RRIF Capital Improvement Plan and Methodology

- Review validation of the RTC Travel Demand Model.
  - o The TDM is validated using actual traffic counts (NDOT TRINA data).
- Should multimodal projects be included in the RRIF Capital Improvement Plan?
  - Since both existing and new development benefit from multimodal projects, the cost of multimodal projects assessed to the RRIF CIP is based on the percent VMT growth within the Service Area.
- Using Average Daily Traffic (ADTs) and VMTs for charging RRIF fees, regardless of location, causes the urban area to subsidize developments in the suburb/rural areas.
  - RRIF fees are intended as a regional program and to address the new trips on the regional road network as a whole. Due to the size of our community, trips

typically cross over all boundaries, ie, between service areas, downtown to urban/suburban areas. Trips from the core vs suburb/rural areas affect the entire regional network.

#### 5. RRIF Eligible Improvements

- Interchange improvements Review the eligibility of interchange improvements with the RRIF CIP. Verify other funding sources used to offset new development's share of the capacity improvements, ie, Fuel Tax used to supplement funds for capacity improvements.
- Intersection improvements Currently, the RRIF GAM limits RRIF funding/Waivers to the intersection of two regional roadways.
  - o New signals and related turn lanes at the intersection of a regional roadway and a non-regional road are not eligible for RRIF funding.
  - o The RRIF Program is calculated based on the addition of other funding sources, ie, fuel tax, to help fund projects in the RRIF CIP. RTC anticipates using fuel tax to fund currently non-RRIF eligible improvements.
  - If non-regional road improvements are funded with RRIF revenue/waivers, the RRIF CIP and resulting fee calculation would need to be adjusted to add the cost of these types of intersection improvements.
- Right of way values Values are based on date/land use as of the date the roadway improvement was identified in the development application. When a project has numerous approvals, ie, zoning change, Master Plan, Tentative/Final Map, Handbook, more clarification is required to establish which approval establishes the date of value.
- Amendments to the RRIF CIP Recommend clarification on the process to amend the CIP, ie, timeframes to allow changes, amendment to the RTP, and the approval process for adoption of new fees.

#### 6. Impact Fee Rates

- Warehousing Received a comment that warehousing should have a higher impact fee rate due to the impact of trucks on the road network.
  - Trips due to warehousing are incorporated into the TDM and VMT calculations. Impact fees pay for capacity improvements and cannot be used for maintenance of existing roadways.
- Residential Housing Concerns were expressed regarding the increase in residential impact fees and the cost of housing overall in the community.
  - Single Family and Multifamily Housing impact fees are based on the trip generation for Washoe County, which is slightly lower than ITE Trip Generation Rates.

- o Impact fees are based on average trip generation and trip lengths. Arbitrarily adjusting the factors used in calculating the fees for one use over another, could unfairly shift the burden of funding capacity improvements.
- Affordable Housing (SB 103) Reno is pursuing an Ordinance that will allow a reduction in development fees paid for qualified affordable housing.
  - o What is the impact of a reduced fee to the RRIF Program?
  - o Are other jurisdictions pursuing an Affordable Housing Ordinance?
  - Other options, ie, special impact fee rate for designated affordable housing projects?
- Student Housing Request to add Off Campus Student Housing Land Use impact fee rate.
  - Student housing has been added to the 10th Ed ITE Trip Generation Manual and therefore trip rates in ITE could be used to develop a new impact fee rate.
- Walkable Communities Concerns were expressed that impact fees should be used to incentivize development and encourage more live/work areas by the elimination or reduction in impact fees charged.
  - Impact Fees support the Regional and local Master Plans, through the
    densities and land uses approved by local government. Therefore, it is a
    result and output of decisions made by the Reno & Sparks Councils & the
    County Commission.
  - O When live/work developments are implemented, it would likely result in the reduction of average trip lengths anticipated throughout the regional network, thereby reducing the need for capacity improvements and the associated impact fee to support the capacity improvements.
  - O RRIF fees are intended as a regional program to address the new trips on the regional road network. Due to the size of our community, trips typically cross over all boundaries, ie, between service areas, downtown to urban/suburban areas. Trips from the core vs suburb/rural areas affect the entire regional network.
  - If impact fees are waived/reduced, other impact fee areas would be required to pick up the cost for the needed improvements or are other funding sources used to supplement the program.
  - O To create a special impact fee rate for walkable communities, qualifications would need to be identified to determine what projects/areas would be eligible as a walkable community, in addition the associated trip generation.

#### 7. RRIF Payments with Credit Cards

Some local jurisdictions allow development fee payments with credit cards, which
require the payment of credit card convenience fees by the jurisdiction. Per NRS,
impact fee revenues cannot be used to reimburse the local agency for said fees.
 Should all credit card convenience fees be charged back to the fee payer? Would new
legislation be required?

#### 8. RRIF Revenue

- Concerns were expressed to limit where RRIF Revenue can be spent, ie, closer to where the fees were paid.
  - o RRIF fees are intended as a regional program to address the new trips on the regional road network. Due to the size of our community, trips typically cross over all boundaries, ie, between service areas, downtown to urban/suburban areas. Trips from the core vs suburb/rural areas affect the entire regional network.
  - Restrictions on where funds were spent would limit available RRIF funding per project within the Service Area and could delay needed improvements or cause supplemental funds to be used to complete.
  - o RRIF collections would need to be tracked by location by the local permitting agency and then used to determine project selection.
- Request was expressed to enter into a Memorandum of Understanding (MOU) with the State to collect impact fees for state facilities.
  - o NRS specifically excludes the payment if impact fees on State Facilities to a local jurisdiction.
  - o MOUs with multiple state agencies would likely be required. Request will be forwarded to legal counsel.

#### 9. RRIF Waivers

- Offset agreements lock in the RRIF Schedule to be used and the land uses approved within the Development of Record. If the Land Uses change more than 10 percent, ALL waivers are to be redeemed at the current rate, hence forth.
- If waivers are sold to a 3rd party, how are land uses transferred to the new account?
- If Land Uses change more than 10 percent, do all account holders lose their original fee rate, even if their Land Uses did not change?
- Can the Development of Record include property owned by someone else other than the Offset Agreement Developer? How would this affect the eligible land uses?
- Should the RRIF Automation program track Land Uses used on the waivers and deduct from the Land Uses identified in the Offset agreements?
- Currently, the waivers use the Land Use and units to establish the dollars on the waiver. Should we change the system to only enter the dollar amount or start with the Land Use and Units, but allow the dollars to be edited, if needed, ie, to pay a reduced rate due to a previous use on the property, partial payment of fees with remaining

Item 4 – 7<sup>th</sup> Ed RRIF GAM Changes July 23, 2020 Attachment 1

balance of waivers, or for a new Land Use not currently identified in the fee schedule?

• Should we change from dollars back to VMTs?

July 23, 2020 <u>AGENDA ITEM 5</u>

**TO:** Regional Road Impact Fee Technical Advisory Committee (RRIF TAC)

**FROM:** Claudia Hanson

City of Reno Planning Manager

**SUBJECT:** Impact Fees for Affordable Housing

#### RECOMMENDATION

Receive a presentation by City of Reno staff regarding potential reduction of fees for affordable housing.

#### **SUMMARY**

In 2019, the Nevada Legislature passed Senate Bill No. 103 which enables a local government to reduce or subsidize in whole or in part impact fees, fees for the issuance of building permits collected pursuant to NRS 278.580, and fees imposed for the purpose for which an enterprise fund was created to assist in maintaining or developing a project for affordable housing.

In order to allow the reduction or subsidization per SB 103, the local government is required to adopt an ordinance establishing the criteria that a project for affordable housing must satisfy to receive assistance in maintaining or developing the project for affordable housing. Attached is the staff report and draft language for the Affordable Housing Ordinance as proposed by the City of Reno at the January 22, 2020 Reno City Council meeting.

Attachments

# NRS 278.235 Adoption of measures to maintain and develop affordable housing to carry out housing plan required in master plan; conditions under which governing body may reduce or subsidize certain fees; annual reports.

- 1. If the governing body of a city or county is required to include the housing element in its master plan pursuant to <u>NRS 278.150</u>, the governing body, in carrying out the plan for maintaining and developing affordable housing to meet the housing needs of the community, which is required to be included in the housing element pursuant to subparagraph (8) of paragraph (c) of subsection 1 of <u>NRS 278.160</u>, shall adopt at least six of the following measures:
- (a) Reducing or subsidizing in whole or in part impact fees, fees for the issuance of building permits collected pursuant to <u>NRS 278.580</u> and fees imposed for the purpose for which an enterprise fund was created.
- (b) Selling land owned by the city or county, as applicable, to developers exclusively for the development of affordable housing at not more than 10 percent of the appraised value of the land, and requiring that any such savings, subsidy or reduction in price be passed on to the purchaser of housing in such a development. Nothing in this paragraph authorizes a city or county to obtain land pursuant to the power of eminent domain for the purposes set forth in this paragraph.
- (c) Donating land owned by the city or county to a nonprofit organization to be used for affordable housing.
  - (d) Leasing land by the city or county to be used for affordable housing.
- (e) Requesting to purchase land owned by the Federal Government at a discounted price for the creation of affordable housing pursuant to the provisions of section 7(b) of the Southern Nevada Public Land Management Act of 1998, Public Law 105-263.
- (f) Establishing a trust fund for affordable housing that must be used for the acquisition, construction or rehabilitation of affordable housing.
- (g) Establishing a process that expedites the approval of plans and specifications relating to maintaining and developing affordable housing.
- (h) Providing money, support or density bonuses for affordable housing developments that are financed, wholly or in part, with low-income housing tax credits, private activity bonds or money from a governmental entity for affordable housing, including, without limitation, money received pursuant to 12 U.S.C. § 1701q and 42 U.S.C. § 8013.
- (i) Providing financial incentives or density bonuses to promote appropriate transit-oriented housing developments that would include an affordable housing component.
- (j) Offering density bonuses or other incentives to encourage the development of affordable housing.
- (k) Providing direct financial assistance to qualified applicants for the purchase or rental of affordable housing.
- (l) Providing money for supportive services necessary to enable persons with supportive housing needs to reside in affordable housing in accordance with a need for supportive housing identified in the 5-year consolidated plan adopted by the United States Department of Housing and Urban Development for the city or county pursuant to 42 U.S.C. § 12705 and described in 24 C.F.R. Part 91.
- 2. A governing body may reduce or subsidize impact fees, fees for the issuance of building permits or fees imposed for the purpose for which an enterprise fund was created to assist in

maintaining or developing a project for affordable housing, pursuant to paragraph (a) of subsection 1, only if:

- (a) When the incomes of all the residents of the project for affordable housing are averaged, the housing would be affordable on average for a family with a total gross income that does not exceed 60 percent of the median gross income for the county concerned based upon the estimates of the United States Department of Housing and Urban Development of the most current median gross family income for the county.
- (b) The governing body has adopted an ordinance that establishes the criteria that a project for affordable housing must satisfy to receive assistance in maintaining or developing the project for affordable housing. Such criteria must be designed to put into effect all relevant elements of the master plan adopted by the governing body pursuant to NRS 278.150.
- (c) The project for affordable housing satisfies the criteria set forth in the ordinance adopted pursuant to paragraph (b).
- (d) The governing body makes a determination that reducing or subsidizing such fees will not impair adversely the ability of the governing body to pay, when due, all interest and principal on any outstanding bonds or any other obligations for which revenue from such fees was pledged.
- (e) The governing body holds a public hearing concerning the effect of the reduction or subsidization of such fees on the economic viability of the general fund of the city or county, as applicable, and, if applicable, the economic viability of any affected enterprise fund.
- 3. On or before January 15 of each year, the governing body shall submit to the Housing Division of the Department of Business and Industry a report, in the form prescribed by the Housing Division, of how the measures adopted pursuant to subsection 1 assisted the city or county in maintaining and developing affordable housing to meet the needs of the community for the preceding year. The report must include an analysis of the need for affordable housing within the city or county that exists at the end of the reporting period. The governing body shall cooperate with the Housing Division to ensure that the information contained in the report is appropriate for inclusion in, and can be effectively incorporated into, the statewide low-income housing database created pursuant to NRS 319.143.
- 4. On or before February 15 of each year, the Housing Division shall compile the reports submitted pursuant to subsection 3 and post the compilation on the Internet website of the Housing Division.

(Added to NRS by 2007, 1517; A 2009, 2764; 2013, 1506; 2017, 1038; 2019, 827, 831)

#### STAFF REPORT

**Date:** January 22, 2020

To: Mayor and City Council

Thru: Sabra Newby, City Manager

Subject: E.2. Staff Report (For Possible Action): Ordinance Introduction - Bill No.

Ordinance adding Chapter 1.08 to the Reno Municipal Code, as enabled by Senate Bill 103 (NRS 278.235(1)(a) and (2)), to provide the City the ability to reduce or subsidize, in whole or part, impact fees, fees collected for the issuance of building permits and sewer connection fees for an affordable housing project; together with other matters properly relating thereto. This item was continued from the November 13, 2019 City Council

meeting.

From: Claudia Hanson, Planning Manager

**Summary:** The attached ordinance would allow the City of Reno to reduce or subsidize, in whole or in part, impact fees, fees for the issuance of building permits, and sewer connections for projects developing affordable housing for families with an average income of 60 percent median gross income for Washoe County. This ordinance was initiated at the November 6, 2019 City Council meeting.

**Background:** In 2019 The Nevada Legislature passed Senate Bill No. 103 (NRS 278.235(1)(a) and (2)) which enables the City of Reno to reduce or subsidize in whole or in part impact fees, fees for the issuance of building permits collected pursuant to NRS 278.580, and fees imposed for the purpose for which an enterprise fund was created to assist in maintaining or developing a project for affordable housing.

**Discussion:** Chapter 278B (Impact Fees for New Development) "Impact fee" is defined as a charge imposed by a local government on new development to finance the costs of a capital improvement or facility expansion necessitated by and attributable to the new development. The only impact fee the City has adopted is the Regional Road Impact Fee through RMC 18.14 Article V.

Chapter 354 of NRS provides that the City may create enterprise funds for building permit fees and sewer fees. Through Resolution No. 5283, Council created certain funds as provided for by NRS 354.594 which includes the Building Enterprise Fund and the Sewer Enterprise Fund.

Through NRS 278.580 the City of Reno adopted fees for the issuance of building permits. Building permit fees include the total fees that must be paid for issuance of a building permit, including all permit fees and inspection fees. The term does not include fees relating to water, sewer, or other utilities, residential construction tax, tax for the improvement of transportation or any fees associated with land use cases.

RMC 12.16.010 defines sewer connection fees to mean the payment made for the permission to make a direct or indirect connection to the sewer system. The sewer connection fees are identified within RMC 12.16 Article II.

Through Senate Bill No. 103 the City is enabled with the ability to reduce or subsidize in whole or in part impact fees, fees for the issuance of building permits, and fees imposed for sewer connections to assist in maintaining or developing a project for affordable housing. The bill allows the City to reduce or subsidize the fees only when the project would be affordable on average for a family with a total gross income that does not exceed 60 percent of the median gross income for Washoe County.

In order to allow the reduction or subsidization, the City is required to adopt an ordinance establishing the criteria that a project for affordable housing must satisfy to receive assistance in maintaining or developing the project for affordable housing. NRS 278.235 requires that the average income of all the residents of the project does not exceed 60 percent of the median gross income for Washoe County. In addition to this requirement staff has provided the following criteria to be considered for inclusion in the ordinance. These criteria were developed in consultation with the affordable housing development industry. The term "families" is used in the draft ordinance to carry over the wording from the Nevada Revised Statutes enabling language. Typically the term "household" is used to compliment United States Department of Housing and Urban Development (HUD) terminology.

- 1. Projects providing housing for families with an average total gross income not exceeding 60 percent of the area median income (AMI) for Washoe County are eligible to apply for a 75 percent reduction in the associated fee(s) for those units at or below 60 percent of the AMI.
- 2. Projects providing housing for families with an average total gross income not exceeding 50 percent of the AMI for Washoe County are eligible to apply for a 100 percent reduction in the associated fee(s) for those units at or below 60 percent of the AMI.
- 3. Projects providing housing for families with an average total gross income not exceeding 30 percent of the AMI for Washoe County or 100 percent of the units being affordable for 50 percent of the AMI for Washoe County are eligible to apply for a 100 percent reduction in the associated fees.

- 4. Also, projects falling within the Criteria 1 and 2 above would be eligible to apply for an additional 10 percent reduction if the project is located within ¼ mile of a bus rapid transit route or within a Mixed Use Area or within one mile of an Employment Area as identified within the Structure Plan of the City of Reno Master Plan.
- 5. All projects would be required to maintain the income restrictions for 20 years. If the income restrictions are eliminated before 20 years, the reduction or subsidy will be reinstated.

The City is required to determine how the criteria are met and determine that reducing or subsidizing such fees will not adversely impair the ability of the City to pay, when due, all interest and principal on any outstanding bonds or any other obligations for which revenue from such enterprise fees was pledged. In order to approve the reduction or subsidization, Council must determine through a public hearing the effect of the reduction or subsidization of such fees on the economic viability of the general fund and the affected enterprise fund.

**Financial Implications:** Unable to determine at this time.

**Legal Implications:** SB 103 directs and determines the parameters of the ordinance and the findings that have to be made by Council to reduce or subsidize impact fees, building permit fees and connection fees. Criteria must be established for due process review. The proposed ordinance implements SB 103 as enabled by the Legislature.

<b>Recommendation:</b>	Staff recommends Council refer	Bill No	for a second reading
and adoption.			
Proposed Motion:	I move to refer Bill No.	for a second read	ing and adoption.

EXPLANATION: Matter <u>underlined</u> is new; matter in brackets and stricken [--] is material to be repealed.

#### BILL NO.

#### **ORDINANCE NO.**

ORDINANCE ADDING CHAPTER 1.08 TO THE RENO MUNICIPAL CODE, AS ENABLED BY SENATE BILL 103 (NRS 278.235(1)(A) AND (2)), TO PROVIDE THE CITY THE ABILITY TO REDUCE OR SUBSIDIZE, IN WHOLE OR IN PART, IMPACT FEES, FEES COLLECTED FOR THE ISSUANCE OF BUILDING PERMITS AND SEWER CONNECTION FEES FOR AN AFFORDABLE HOUSING PROJECT; TOGETHER WITH OTHER MATTERS PROPERLY RELATING THERETO.

**WHEREAS,** Pursuant to Statutes of Nevada 2019, enacted by the Nevada Legislature by passage of Senate Bill No. 103 (NRS 278.235(1)(a) and (2)) the City is enabled with the ability to reduce or subsidize in whole or in part impact fees, fees for the issuance of building permits collected pursuant to NRS 278.580 and fees imposed for the purpose for which an enterprise fund was created to assist in maintaining or developing a project for affordable housing; and

**WHEREAS**, 278B.050 of the Nevada Revised Statutes defines Impact fee as a charge imposed by a local government on new development to finance the costs of a capital improvement or facility expansion necessitated by and attributable to the new development; and

**WHEREAS**, Chapter 354 of the NRS provides that the City may create enterprise funds for building permit fees and sewer fees; and

**WHEREAS**, Resolution No. 5283 reaffirmed the creation of certain funds as provided for by NRS 354.594 which includes the Sewer Enterprise Funds and the Building Enterprise Fund; and

**WHEREAS**, NRS 278.580 provides that the City may fix fees for the issuance of building permits; and

**WHEREAS**, NRS 354.59891(1)(d) defines building permit fees to mean the total fees that must be paid for issuance of a building permit, including without limitation, all permit fees and inspection fees. The term does not include, without limitation, fees relating to water, sewer or other utilities, residential construction tax, tax for the improvement of transportation imposed pursuant to NRS 278.710, any fee imposed pursuant to NRS 268.4413 or any amount expended to change the zoning of the property; and

**WHEREAS**, Reno Municipal Code 12.16.010 defines sewer connection fee to mean the payment made for the permission to make a direct or indirect connection to the sewer system; and

WHEREAS, NRS 278.235(2) allows the City to reduce or subsidize only when the incomes of all the residents of the project for affordable housing are averaged, the housing would be affordable on average for a family with a total gross income that does not exceed 60 percent of the median gross income for the county concerned based upon the estimates of the United States Department of Housing and Urban Development of the most current median gross family income for the county.

**WHEREAS**, the City must adopt an ordinance establishing the criteria that a project for affordable housing must satisfy to receive assistance in maintaining or developing the project for affordable housing, and such criteria must be designed to put into effect all relevant elements of the Master Plan adopted by the City; and

WHEREAS, the project for affordable housing must satisfy the criteria in the ordinance; and

**WHEREAS**, the City must determine that reducing or subsidizing such fees will not impair adversely the ability of the City to pay, when due, all interest and principal on any outstanding bonds or any other obligations for which revenue from such fees was pledged; and

**WHEREAS**, the City must hold a public hearing to address the effect of the reduction or subsidization of such fees on the economic viability of the general fund and the affected enterprise fund.

#### NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF RENO DOES ORDAIN:

**SECTION 1**: Section 1.08 of the Reno Municipal Code is hereby added to read as follows:

## CHAPTER 1.08. REDUCTION OR SUBSIZATION OF IMPACT FEES, BUILDING PERMIT FEES AND SEWER CONNECTION FEES

#### Sec. 1.08.010. Enabling Clause.

Pursuant to Statutes of Nevada 2019, enacted by the Nevada Legislature by passage of Senate Bill No. 103 (NRS 278.235(1)(a) and (2)) the City is enabled with the ability to reduce or subsidize in whole or in part impact fees, fees for the issuance of building permits collected pursuant to NRS 278.580 and fees imposed for the purpose for which an enterprise fund was created to assist in maintaining or developing a project for affordable housing.

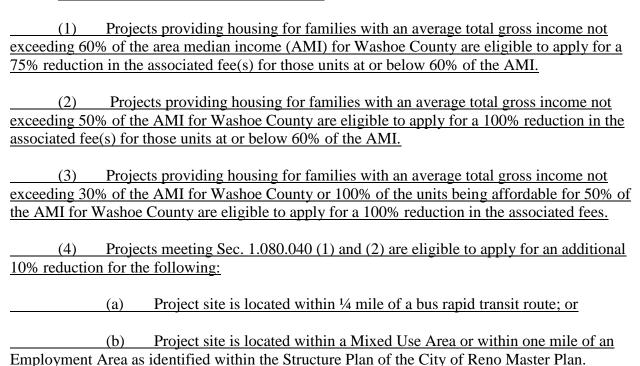
#### Sec. 1.08.020. Definitions.

- (1) Impact fee has the meaning ascribed in Nevada Revised Statutes 278B.050.
- (2) Sewer connection fees has the meaning ascribed in Reno Municipal Code 12.16.010.
- (3) Building permit fees has the meaning ascribed in Nevada Revised Statutes 278.580 and NRS 354.59891(1)(d).

#### Sec. 1.08.030. Eligibility.

(1) When the incomes of all the residents of the project for affordable housing are averaged, the housing would be affordable on average for a family with a total gross income that does not exceed 60 percent of the median gross income for Washoe County based upon the estimates of the United States Department of Housing and Urban Development of the most current median gross family income for Washoe County.

#### Sec. 1.080.040. Standards and Criteria.



#### **Sec. 1.08.050.** Conditions.

- (1) A public hearing shall be held to address the effect of the reduction or subsidization of the impact fees, building fees or sewer connection fees on the economic viability of the general fund and the affected enterprise fund.
- (2) <u>Council must make a determination that reducing or subsidizing the impact fees, building fees or sewer connection fees will not impair adversely the ability of the City to pay, when due, all interest and principal on any outstanding bonds or any other obligations for which revenue from such fees was pledged must be made.</u>

#### Sec. 1.08.060. Other requirements.

(1) An annual report shall be provided to the City Manager by the applicant or property manager verifying compliance with all of the requirements specified in this Chapter.

- (2) <u>Applicable building permits associated with fee reduction shall be obtained within</u> 24 months of the date of approval of any reductions by City Council or the approval shall expire. An applicant may reapply following the expiration of an approval.
- (3) The income restriction(s) must remain in effect for 20 years or the reduced fee(s) will be reinstated and assessed on the property by recordation of a lien.
  - (4) A deed restriction or similar property restriction will be recorded against the property.
- **SECTION 2:** The Reno City Council hereby finds that this ordinance is not subject to the requirements of Chapter 237 of the NRS, Business Impact Statement process.
- **SECTION 3:** This Ordinance shall be in effect from and after its passage, adoption and publication in one issue of a newspaper printed and published in the City of Reno.
- **SECTION 4:** The City Clerk and the Clerk of the City Council of the City of Reno are hereby authorized and directed to have this ordinance published in one issue of the Reno Gazette Journal, a newspaper printed and published in the City of Reno.

Passed and adopted this da of the Council	ny of, 2	2020, by the following vote
AYES:		
NAYS:		
ABSTAIN:	ABSENT:	
APPROVED this day of	2020.	
HILLARY SCHIEVE MAYOR OF THE CITY OF RENO		
ATTEST:		
ASHELY TURNEY, CITY CLERK AND CLERK OF THE CITY COUNCIL OF THE CITY OF RENO, NEVADA		

EFFECTIVE DATE:

July 23, 2020 <u>AGENDA ITEM 6</u>

**TO:** Regional Road Impact Fee Technical Advisory Committee (RRIF TAC)

**FROM:** Blaine Petersen, P.E.

Project Manager

**SUBJECT:** Public Input

This agenda item allows the public the opportunity to provide information on topics within the jurisdiction of the Regional Road Impact Fee Technical Advisory Committee (RRIF TAC). Any person wishing to wait to provide public comment on a specific agenda item should indicate that item number on the "comment" card. The RRIF TAC reserves the right to take all public comment during Public Input. Individuals addressing the RRIF TAC during the Public Input portion of the meeting will be limited to three minutes total. However, an individual acting as a spokesperson for a group of individuals may request additional time. Individuals are expected to provide public input in a professional and constructive manner.