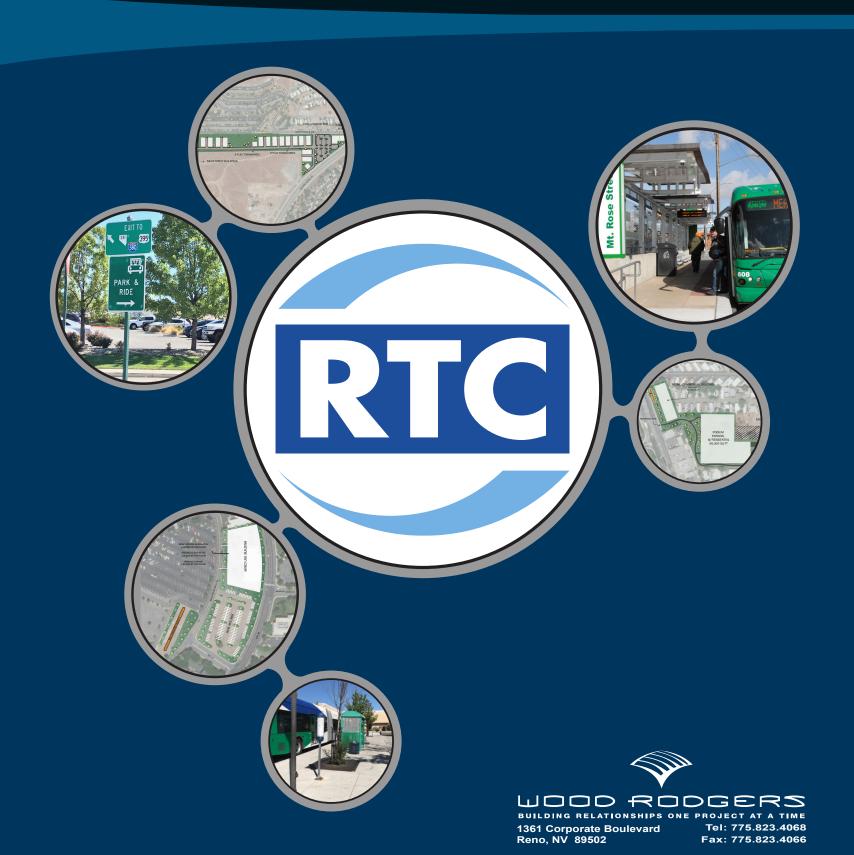
RTC AFFORDABLE HOUSING STUDY

April 2020



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Defining Affordability and Strategies to Overcome It

Affordable housing is an important issue in our region. Our community is growing so quickly that finding affordable housing continues to be a challenge for many of our neighbors. Having affordable housing near transit stops helps people have access to essential services and enhances their quality of life.

The Reno-Sparks-Washoe County region is facing a significant challenge related to housing affordability. Housing affordability is a complex, multi-faceted issue and requires a multi-faceted approach. Overcoming this problem requires close consultation with a variety of agencies, public and private partners, and stakeholders to arrive at an approach that addresses the needs of our region. The Regional Transportation Commission of Washoe County (RTC) builds on the work of other regional housing research from the Truckee Meadows Regional Planning Agency (TMRPA), the City of Reno, and other state and federal agencies. The RTC is undertaking this study to identify opportunities for the development of affordable housing in the transit service area because affordable housing in close proximity to transit routes offers improved access to services and increases transit ridership.

This study approaches the issue of housing affordability pragmatically, seeking to develop public/private partnerships and assemble a variety of stakeholders to: a) determine what affordability is, b) evaluate the potential for RTC-owned properties to support affordability policy initiatives in the region, c) create concepts for viable affordable housing development at selected sites and, d) explore how joint development funding from the Federal Transit Administration (FTA) can support the goals presented in this document.

Joint developments involve a public/private partnership, requiring involvement of public entities to make initial investments to publicly owned property like transit centers, streets or accessible pedestrian amenities in order for private investment to develop or redevelop these properties to their greatest potential. The process involved the selection of public and private parcels within the Transit Service Area either containing an existing or planned transit facility or parcels owned entirely by the RTC.

The federal guideline for housing affordability is when a household spends no more than 30% of their income on housing costs, including rent or mortgages and utilities. The US Department of Housing and Urban Development (HUD) considers households who exceed this 30% limit "cost-burdened" and these households may experience challenges paying housing costs as well as other necessities like food, clothing, transportation or medical care.1 For Nevada, the specific definition of affordable housing in 2018 was, "housing affordable for a family with a total gross income that does not exceed 80 percent of median gross income for the county."2 Recent updates to this definition further define affordable housing using three tiers of affordability based on ratios of gross household income to housing costs. The updated definition and breakdown of the tiers can be found in Appendix F. An additional subpopulation of cost-burdened population households are the "housing insecure", meaning households spending more than 50% of their income on housing costs. This population is particularly vulnerable to poor housing conditions and housing displacement.

"Housing affordable for a family with a total gross income that does not exceed 80 percent of median gross income for the county."

2018 Affordable Housing Definition, Nevada Revised Statute 278.0105*

*Note: In 2019, this definition was updated to define affordable housing by different tiers of affordability. This analysis was completed prior to the update to NRS. Refer to Appendix F for the amended language. For this report, an economic consultant, RCG Economics, provided an analysis of affordability in the region to contextualize the current housing climate (Appendix A)³. RCG Economics used the definition of affordable housing from Nevada Revised Statute (NRS) and 2018 household income data from Woods & Poole Economics. Based on this analysis, approximately 40% of households in the Reno-Sparks cost-burdened. area are Furthermore, approximately 50% of Reno-Sparks households are unlikely to qualify for a home loan and must rent. This is significant, as this analysis also found that average rental prices for a studio apartment would cost-burden at least 25% of households in the area. Affordability is similarly challenging for homeowners. Approximately 62% of monthly mortgage payments are unaffordable for median income households without experiencing cost burden. This places even more of the population outside of the range of affordable homeownership. Of all metropolitan areas in the United States with populations of 40,000 people or more, the Reno-Sparks area was the fifth least affordable according to the National Association of Homebuilders "Housing Affordability Index."

Another factor affecting affordability is the cost of transportation. Although housing costs are relatively fixed, with a defined rent or mortgage over a lease or loan period, transportation costs can be broken into a variety of different costs that may change over time including insurance, repairs, tires, and fuel. The volatility, or unpredictability, of gas prices can be particularly impactful to households already vulnerable to cost burden. Areas outside of transit services without nearby employment centers and walkable environments can make residents dependent on personal automobiles to commute to work and complete other necessary activities of daily living.

The Housing and Transportation Affordability Index, developed by Center for Neighborhood Technology, provides a comprehensive view of affordability that includes the cost of housing and transportation at the neighborhood level based on location-efficiency. Location-efficiency is characterized as: "Places that are compact, close to jobs and services, with a variety of transportation choices [and] allow people to spend less time, energy, and money on transportation."

According to the affordability index, Reno and Sparks have no neighborhoods that meet the criteria for location-efficiency. On average, households in the region spend approximately \$12,000 on annual transportation costs, or roughly 23% of their income. Transportation costs are largely for personal automobiles, with only 2-3% of the working population estimated to be using transit services to commute to employment in the Reno-Sparks area. Combined, housing and transportation costs consume approximately 50% of the average household's annual income in the area. comparison, the average household in the nation in location-efficient neighborhood approximately 9% of their annual household income on transportation. This low affordability index score demonstrates the existence of opportunities to improve location-efficiency as well as transit ridership in the Reno-Sparks area.

There are many ways to make housing more affordable, including subsidies, increasing the supply of housing, and reducing product costs. The State of Nevada has several state and federal sources for assistance. The Nevada Housing Division aids in affordable housing funding most directly by, "working with its partners to make the best use of resources such as tax credit and bond funding in support of fulfilling its mission to provide affordable housing opportunities to individuals and families throughout Nevada."5 LIHTC is the largest federal tax-incentive program in Nevada and nation-wide for producing affordable rental housing. In Nevada, the tax credit funding has aided in the construction or rehabilitation of 75% of affordable multi-family housing units in Nevada.

Opportunity zones are an additional incentive to encourage affordable housing. This is part of a new program established by the "Tax Cuts and Jobs Act of 2017" that provides tax incentives for long-term private investment in low-income communities. Specifically, this program provides tax deferment for eligible investors in a Designated Qualified Opportunity Zone, as designated by the United States Internal Revenue Service (IRS).

"Places that are compact, close to jobs and services, with a variety of transportation choices allow people to spend less time, energy, and money on transportation."

Location-Efficiency Metric, Housing and Transportation Affordability Index (htaindex.cnt.org)



Example of City of Reno Transitional Housing development, Village on Sage Street (Image Source: Community Foundation of Western Nevada)

The local jurisdictions also have more concentrated efforts to provide housing assistance. A notable example is the Washoe County HOME Consortium, a partnership with Washoe County, the cities of Reno and Sparks and other stakeholders to provide economic opportunities for low-income residents, using financial assistance from the HUD. Additionally, the City of Sparks leases land to low income housing developments and the City of Reno recently donated land to transitional housing development in 2019 (Example above). Reno and Sparks also offer density bonuses and parking reductions to serve as incentives to encourage affordable housing projects. Other jurisdictional resources include tax abatements, fee waivers and subsidies.

Another option may be joint development, as defined by the Federal Transit Authority (FTA). This type of development partners with public or private entities to construct, residential, commercial, mixed use or other non-transit development that is co-located with a public transportation project. Although this approach has not currently been used for transit projects within the region, there are opportunities to promote joint development. In addition, the RTC owns property that was acquired for construction of transportation improvements. In some instances, portions of property owned by the RTC are no longer needed after construction of the project. These are referred to as "remnant parcels." This study evaluated these parcels for suitability for future housing development. The "Study Approach" section of this document expands on this approach more specifically.

Existing Regional Affordability Studies

In 2018, Nevada was the fastest growing state in the nation with a 2.2% growth rate. ⁶ Although ten-year population projections predict the growth rate to slow slightly in Nevada, the number of available housing units are likely to be insufficient to accommodate additional growth, particularly in northern Nevada. Several agencies have completed housing studies in the area to understand the root of this issue and suggest policy solutions to resolve it. This section provides a brief summary of each study to contextualize this effort by the RTC.

Analysis of Impediments to Fair Housing Choice (2016)⁷

To receive federal block grant funding for federal housing and community development from the HUD, municipalities must complete a review of impediments to fair housing choice. BBC Research & Consulting developed this report, also known as an Analysis of Impediments or AI, for the cities of Reno, Sparks and Washoe County in 2016. The focus of this report is to determine whether the jurisdictions follow the "Federal Fair Housing Act" that prohibits discrimination based on race, color, national origin, religion, disability or familial status in the sale, rental and financing of dwelling. This report is required to determine how well cities are implementing the policies in the Act and assess conditions for fair housing choice, meaning adequate housing options are equally available to all residents of Reno, Sparks and Washoe County. Focus groups of residents and stakeholders noted the most serious barriers to fair housing choice in this region are the lack of affordable apartments public transit. This study comprehensively reviewed existing zoning and land use policies in these cities and how they relate to addressing housing choice and affordability; the jurisdictions did not have serious policy barriers to fair housing choice, but the report does provide support for community concerns surrounding affordability in the region.

The conclusion of the study found a need for housing that is affordable, accessible and proximate to public transit to reduce or eliminate barriers to housing choice for residents with disabilities.

Housing Demand Forecast and Needs Assessment (2016)⁸

During the update process for the ReImagine Reno Master Plan in 2016, the City of Reno partnered with Economic & Planning Systems, Inc. to complete a report on housing demand and compile a needs assessment. This assessment provided a technical analysis of the housing-related policies within the Master Plan, prepared a forecast for future housing demands and identified any housing gaps. The forecast in the report builds upon the work completed by the Truckee Meadows Regional Planning Agency (TMRPA) during the same time period, using the same housing types as the TMRPA study to estimate future demand (e.g. low, moderate and high-density single family, etc.). The primary strain on housing prices and affordability identified in this report are the low wages of residents. Household income in the region has risen by only half the rate of inflation since 2000.

"Many of the new homes planned and being constructed in Reno are priced higher than what is affordable for the average worker"

Housing Demand Forecast and Needs Assessment (2016)

Cost burden is the most common affordability issue in Reno and limits housing choice. The report breaks down the ability to pay for rent or a mortgage by employment type and the number of jobs required by each employee type to pay housing costs. For someone earning \$23,000, the average income for individuals working in entertainment/accommodations (casinos and hospitality), this individual would need to work approximately 3 jobs to qualify for a mortgage for a median home price of \$256,000. For the same individual to pay rent, the average number of jobs required to pay the median rental rate of \$750 was 1.4 jobs without experiencing cost burden. Other burgeoning industries in the area include manufacturing, which pays an average of \$56,000 a year. To afford the median home price in this industry, the average manufacturing employee would need to work 1.2 jobs, but would be able to afford the median rental rate without working multiple jobs or being cost-burdened. To confidently afford a house in 2016, a household needed to earn at least \$70,000. Although the recent addition of manufacturing industry has diversified the economy and employment opportunities in Reno, issues with affordability will continue to remain if housing prices do not decrease or income does not increase.

A second component to this study analyzes preferences using data from the National Association of Realtors' 2013 Community Preference Survey and 2015 Community and Transportation Preference Surveys. The study determines a possible mismatch of available stock, with respondents indicating a preference for housing supply types differing from the existing housing stock. The report finds that, while the majority of residents prefer a single family, detached house, there is also growing interest in higher density units in proximity to everyday amenities. The report suggests this trend will continue and demand will increase for these types of housing due to a shift in demographics of the region, with a projected increase in senior residents and an expressed interest by younger demographics to live in walkable communities rather than conventional suburbs. The report found the existing housing stock insufficient to meet these preferences and suggested exploring ways to encourage higher density, walkable communities near necessary services like shopping, schools and medical facilities as well as located in close distance to public transportation.

Truckee Meadows Housing Study (2016)9

The TMRPA completed the 2016 Truckee Meadows Housing Study in response to substantial growth in the region. This study involved collaboration with the City of Reno during their earlier demand forecast as well as other municipalities to gain a regional understanding of housing.

The TMRPA uncovered several existing issues related to affordability. In 2016, over 1/3 (36%) of residents in the region fell under the classification of "cost-burdened" and over 55% of residents had an income too low to afford a house in the median sales price range. For the most vulnerable population making less than \$20,000, only 4% of existing housing units are affordable. One potential cause for this unaffordability identified by the Housing Study is a mismatch of existing housing stock with the needs of residents. The majority of housing stock is moderate-density single family detached housing (45%) with a smaller proportion of higher-density housing that could fill the "Missing Middle", or housing that is affordable for residents at or close to the median household income for the region.



Most recently, the TMRPA released the Truckee Meadows Regional Housing Study (2019). This study provides a comprehensive analysis of existing and future trends impacting housing needs throughout the region. This housing study, built upon a 2016 preliminary housing study (referenced above) also completed by the TMRPA, includes updates on certain elements to reflect recent demographic changes and dives more deeply into affordability disparities in the community. Affordability problems affect both home owners and renters at a range of income levels in Reno, Sparks and Washoe County.

Residential vacancy rates, or the percentage of units or buildings that are vacant, can be a signal of a tightening housing market. The residential vacancy rate has been decreasing in northern Nevada since 2010. In 2018, the HUD reported an overall vacancy rate of 6.4% in the Reno housing market, with an even smaller 3.5% vacancy rate for apartments. Average home values doubled between 2012 and 2017 and values are expected to increase by 14% by 2021. 11



DECEMBER 2016

TMRPA ECONorthwest



The lack of available housing stock to accommodate population and job growth in the area will continue to produce affordability concerns.

An additional problem identified in the Regional Housing Study is mismatch between housing types and household sizes as well as the increasing disproportion between housing cost and household income. The majority of households (64%) contain one to two people. However, only 41% of the housing stock are one to two-bedroom units. This mismatch can lead to problems with the affordability, as households may be forced to pay for more space than they need. Housing in the region overall consists of predominantly single-family, detached homes (60%). The study supports exploration of denser housing development in areas closer to amenities and transit services to meet affordability and housing preference needs.

Nevada Housing Division Annual Housing Progress Report (2019)¹³

Nevada Revised Statute requires Washoe County to annually adopt a housing plan with an inventory of housing conditions, projections of future needs and demands, and strategies to provide housing, including affordable housing, to residents. The most recent progress report notes downward trends in homeownership and affordable rental units. Since 2006, homeownership rates have decreased from a high of 65.7% in 2006 to 55.0% in 2017. Rent has also been increasing faster than renter household income over the past 16 years and the proportion of households experiencing severe rent burden has been increasing since 2000 and is projected to continue increasing. Homelessness has also been increasing in Washoe County since 2015 and is currently well above the national average rate.

The report provides a count of the total housing units by jurisdiction subsidized to improve affordability either through the Low Income Housing Tax Credit program (LIHTC), HOME, public housing, USDA Rural Development funding, or other sources. As of 2017, Reno had a total of 6,499 affordable units and added 230 units in 2018, bringing the total unit count to 6,449. Sparks had 1,063 existing units in 2017 and added 40 in 2018, bringing the approximate total of affordable units to 1,103. Unincorporated Washoe County does not have any affordable housing units. More than 30,000 affordable housing units are needed in the region to accommodate low income households based on population size and projected growth.

Study Approach & Site Selection Process

The site evaluation and preliminary design presented herein all encourage private-public partnerships. One mechanism to consider is "joint development" as defined by the Federal Transit Administration (FTA). "Joint development" in this context refers to, "a public transportation project that integrally relates to, and often co-locates with commercial, residential, mixed-use or other non-transit development." ¹²

This concept is similar to, though distinct from, "transit-oriented developments." Transit-oriented developments (TODs) are a type of development located within a 10-minute walk or 0.5 miles from a heavily used rail or bus line. Typically, these types of developments are denser than conventional developments and concentrate attention to design and policy elements that improve quality of life, public health, economic development, environmental quality, community character or transit ridership.

A successful joint development project has the potential to provide transportation services to not only to the overall population within these areas, but also to improve housing options for individuals dependent on transit services. An additional component to this type of public transportation project is the contribution to fair housing choice and accessible transit services. The most recent Analysis of Impediments to Fair Housing Choice report completed in 2016 for the cities of Reno, Sparks and Washoe County found the scarcity of affordable housing near transit services to be a serious impediment for certain populations.

Neighborhood choice for people with mobility concerns, such as individuals with disabilities or impairments, can be limited to areas within the range of the RTC service area. The paratransit service, RTC ACCESS, and the standard fixed route bus lines do not extend to

every area of Washoe County. If an individual is dependent on transit services to arrive safely and reliably at their destination, it is likely they will locate themselves within the Transit Service Area. The site selection process of this study sought to provide necessary affordable housing near existing transit services and in areas with particular need.

In an effort to identify opportunities for new affordable housing projects near existing transit routes, the RTC engaged with Wood Rodgers to identify sites within the Truckee Meadows that could be developed or redeveloped with an affordable housing project. An economic consultant, Leland Consulting Group, also provided guidance and analysis during the site selection phase. As a part of the study, opportunities for public-private partnerships and/or joint development agreements were identified.

Based on the Transit Service Area boundary and existing transit routes (Refer to map on following page), Wood Rodgers created a mapping tool that used several initial criteria to identify potential sites. Criteria included:

Table 1 – Initial Site Selection Criteria

| Criteria | Condition |
|------------------------|------------------------|
| Ownership / | Publicly owned, vacant |
| Vacancy ¹⁵ | parcels |
| Acreage ¹⁶ | 1 ½ acres |
| | |
| Qualified census | Within boundary |
| tract (QCT) | |
| boundary ¹⁷ | |
| Opportunity zone | Within boundary |
| boundary ¹⁸ | |

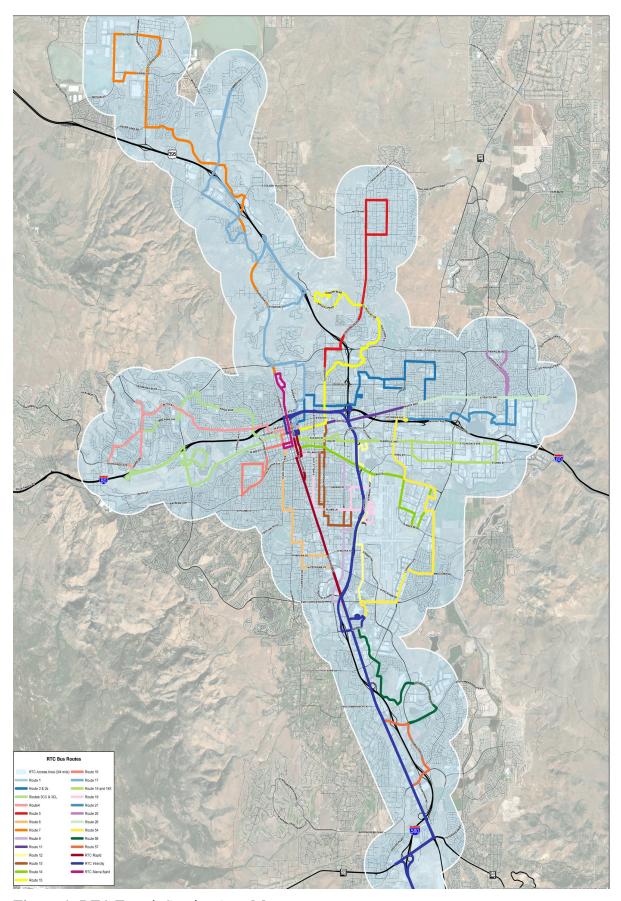


Figure 1: RTC Transit Service Area Map

Kick Off Meeting / TAC Meeting #1

The initial site criteria were presented to the Affordable Housing Technical Advisory Committee (TAC) and the Reno Housing Authority (RHA) on February 21, 2019 which consisted of representatives from City of Reno, City of Sparks, Washoe County, State of Nevada, Reno Housing Authority and Truckee Meadows Regional Planning Agency. The TAC confirmed the selection criteria was appropriate and also provided feedback on the initial site selection, which included approximately 50 sites throughout Reno, Sparks, and Washoe County (Refer to Figure 2 - Initial Site Selection below). The TAC suggested additional criteria to further evaluate the sites and narrow the list included below:

Table 2 – Additional Site Selection Criteria

| Criteria | Condition |
|-------------------------------------|--|
| Zoning ¹⁹ | Achievable entitlement process |
| Topography ²⁰ | Flat or limited slope |
| Access to Services ^{21,22} | Proximity to transit and Walkscore/Bikescore |

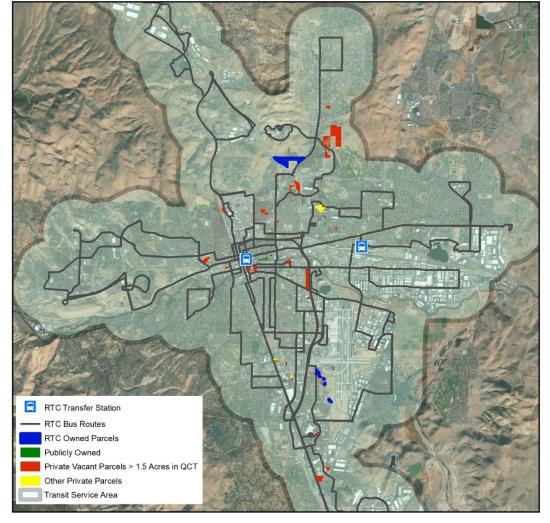




Figure 2: Initial Site Selection Exhibit

TAC Meeting #2

Wood Rodgers and RTC Staff reviewed the initial sites with the added criteria and identified the top 25 sites. The top 25 sites were presented on May 15, 2019 as the "preferred sites" to the TAC and affordable housing stakeholders for feedback.

Based on feedback from the TAC and affordable housing stakeholders, the "preferred sites" were further refined into two Tiers with seven Tier 1 sites considered as the best opportunities to support affordable housing and transit (Refer to Figure 3 – Tier 1 and 2 Sites).

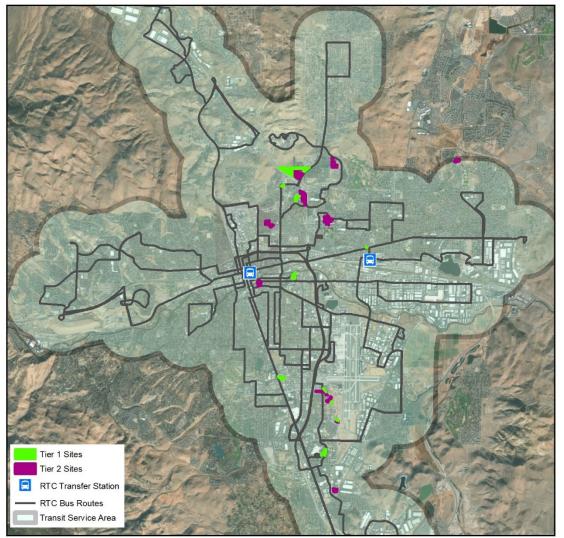




Figure 3: Tier 1 and Tier 2 Site Exhibit

Following the TAC meeting, Leland Consulting Group provided additional screening input on the Tier 1 sites and a site evaluation of the sites to determine catalytic potential, or the potential for public investment on a site to spur additional, similar development in the vicinity. Table 3 and 4 summarize this evaluation.

Table 3 - Site Evaluation, provided by Leland Consulting²³

| Site | Catalytic Potential | Access to Services | Walkscore & Bikescore |
|-------------------------------------|---|--|---|
| 1. Meadowood | Significant potential for further infill on the mall's surface parking lots as well as adjacent vacant lots Rating: HIGH | • Many services and amenities within walking distance of the site, including groceries • Very close to Jamaica Park, Pine Middle School, and Smithridge Elementary • Many amenities/ services require crossing McCarran and/or So. Virginia St. • Rating: HIGH | • Walkscore: 68 • Bikescore: 75 • Rating: HIGH |
| 2. So. Virginia St. near Peppermill | Significant amount of underutilized properties in the vicinity, on east side of Virginia. Site is irregularly shaped, complicating efficient reuse. Rating: MEDIUM | Significant retail nearby, although nearest grocery store is just over a half-mile away. Potential for additional services when Park Lane project is complete. Rating: HIGH | • Walkscore: 73 • Bikescore: 64 • Rating: HIGH |
| 3. Kuenzli St. | Several vacant parcels and parking lots in the vicinity that could be redeveloped over time. Proximity to river is an asset. Proximity to waste transfer station across the river is a deterrent. Rating: MEDIUM | Mostly an industrial area with few services besides healthcare. Rating: LOW | • Walkscore: 62 • Bikescore: 80 • Rating: MEDIUM |
| 4. 15th & Prater | Very limited; almost all properties in the vicinity are fully developed. Rating: LOW | Near downtown Sparks and its amenities. Very near Sparks High School Some smaller groceries nearby, but no full-service supermarkets within a mile. Rating: MEDIUM | Near downtown Sparks and its amenities. Very near Sparks High School Some smaller groceries nearby, but no full-service supermarkets within a mile. Rating: MEDIUM |

| Site | Catalytic Potential | Access to Services | Walkscore & Bikescore |
|--------------------------|---|--|---|
| 5. Clear Acre / Tripp | Large site with several vacant and underutilized sites in proximity. Rating: MEDIUM | Few services in proximity. Near Hug High School Nearest supermarket, Winco, is on other side of freeway, requiring circuitous routing to get there. Rating: LOW | • Walkscore: 51 • Bikescore: 51 • Rating: LOW |
| 6. Sutro / Selmi | Few, if any, other opportunity sites in immediate proximity. Rating: LOW | Close to Hug High School Small shopping center due east, but no groceries Rating: LOW | • Walkscore: 46 • Bikescore: 45 • Rating: LOW |
| 7. Clear Acre / RTC site | Significant vacant land all around, although slopes and access might limit potential. Rating: MEDIUM | No services in immediate vicinity. Requires difficult crossings of both US 295 and McCarran to access any services. Rating: LOW | • Walkscore: 52 • Bikescore: 43 • Rating: LOW |

Following this meeting, affordable housing stakeholders requested further analysis of three RTC owned properties along Airway Drive (refer to Figure 4 – RTC Owned Parcels along Airway Drive on following page). Leland Consulting Group provided a Site Evaluation Addendum (Refer to Table 4) analyzing the additional sites. Initial stakeholder input indicated that these parcels are too small and irregularly shaped for traditional affordable housing development. However, more recent interest has been expressed in the potential for micro housing on these sites. The Airway Drive and Neil Road parcels owned by RTC are smaller, oddly shaped, and some have limited access. While these parcels may not be well suited for traditional affordable housing developments, they could potentially be used for micro housing. This housing type is typically 200-400 square feet in size.

Table 4 - Site Evaluation Addendum, provided by Leland Consulting²⁴

| Site | Catalytic Potential | Access to Services | Walkscore & Bikescore |
|-------------------------------|---|---|--|
| 8. Airway Dr. and Neil Rd. | Few developable parcels in the vicinity. Greater redevelopment potential would require partnership with or acquisition of adjacent parcels, possibly as a rehab project Rating: LOW | Close to Miguel Ribera Park and Neil Road Recreation Center Less than one mile to several schools Small mini mart across the street. More substantial services nearby but requires difficult pedestrian crossing under 395. Rating: MEDIUM | • Walkscore: 49 • Bikescore: 66 • Rating: LOW |
| 9. Cathy Ave. / Rewana Way | Significant amount of underutilized properties in the vicinity Larger redevelopment potential possible with partnership or acquisition of adjacent parcels. Rating: MEDIUM | Close to Miguel Ribera Park and Neil Road Recreation Center Less than one mile to several schools Few retail services within one mile. Rating: MEDIUM | Close to Miguel Ribera Park and Neil Road Recreation Center Less than one mile to several schools Few retail services within one mile. Rating: MEDIUM |
| 10. Donald St. | Few vacant parcels nearby, mostly fully developed. • Very close to runway. • Rating: LOW | Mostly an industrial area with few services Close to small strip center with limited services, more substantial retail approximately one mile away. Close to several schools Rating: MEDIUM | • Walkscore: 48 • Bikescore: 65 • Rating: LOW |

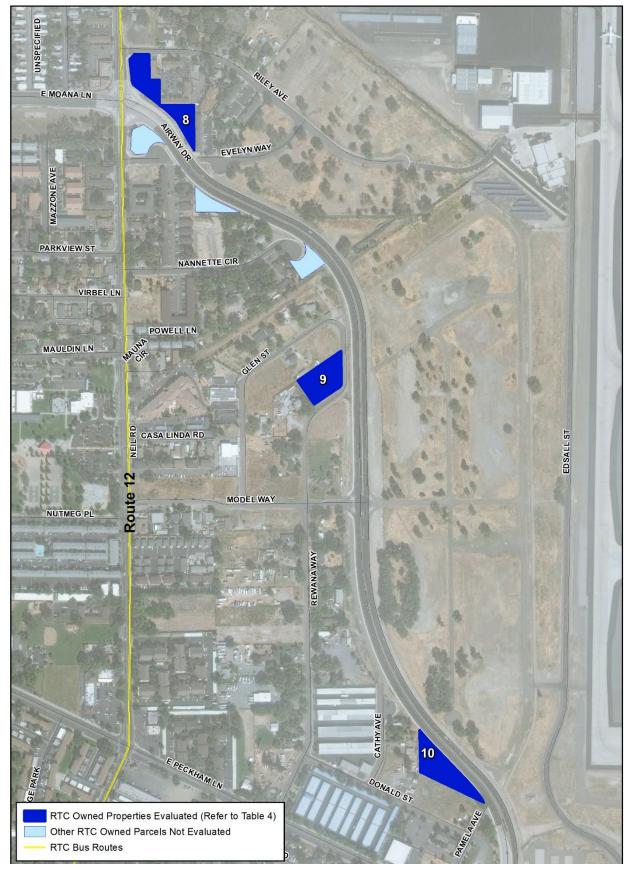


Figure 4: RTC Owned Parcels along Airway Drive



TAC Meeting #3

Following a final review of the Tier 1 sites on July 7, 2019 with the TAC and stakeholders, RTC staff presented the Tier 1 sites to the Regional Transportation Commission Board on July 19, 2019. While all of the Tier 1 sites meet minimum TOD criteria such as proximity to transit service and are vacant or underutilized, the site evaluation memo prepared by Leland provided additional criteria to help understand the quality and benefits of each site to differentiate the sites and identify those with greater potential to provide public benefits. Based on the information presented by Staff in coordination with the Leland memo, three sites were selected for preliminary site design.

- 1. Clear Acre Lane and Scottsdale Drive
- 2. South Virginia Street, close to the Peppermill Resort
- 3. Neil Road and Meadowood Mall Circle

Wood Rodgers prepared preliminary site plans for each site that identified building area and design constraints, which were presented at an Affordable Housing Open House hosted by RTC Staff.

Additional Public Outreach

- HOME Consortium RTC presented information about the study and sought input from this regional committee that addresses affordable housing needs at their meetings on March 12 and September 10, 2019.
- Mayor's Forum on Affordable Housing Held on September 4, 2019, RTC presented information and preliminary concepts about the RTC Affordable Housing Study in an openhouse format.
- Public Workshop Held on September 12, 2019 at the McKinley Arts and Culture Center, RTC presented the draft Affordable Housing Study to the general public for comment.
- Builders Infrastructure & Planning Meeting Held on September 19, 2019, RTC presented the draft findings of the affordable housing study for comment to the Builders industry association.
- Presentations to RTC Board of Commissioners RTC staff presented findings from the study and sought input from the RTC Board on July 19, 2019 and January 17, 2020.
- RTC Citizens Multimodal Advisory Committee (CMAC) and Technical Advisory Committee (TAC) The study was presented to the standing RTC advisory committees for input on July 10, 2019.

Site Analyses & Illustrative Concepts

Following the public meetings, Leland Consulting prepared a market analysis for the three sites (refer to Appendix D.) The market analysis document assesses market and economic conditions of each site and provides potential development programs to guide site design. Economic trends including employment, housing preference, housing demand, income growth and elements of the Reno Market Area including vacancies and rent were also considered. Based on these factors, Wood Rodgers refined the preliminary site plans to reflect the suggested product types and sizes for each site. A copy of the complete market analysis report is included in Appendix D and is summarized for each site in the following section.

Clear Acre Lane Site

This study presents initial concepts for discussion. Any further refinement or action relating to these concepts will involve an extensive community engagement process. No timeline for further studies has been identified.

Location

This site is located within the City of Reno between Clear Acre Lane and US 395 and consists of approximately 32.24 acres of land owned by the RTC. The nearest intersection is Scottsdale Road and Clear Acre Lane. The area is surrounded by a mixture of undeveloped land within the Dandini Research Park as well as multi-family and single-family residences to the north. To the west and south is highway 395 and to the east are single family residences. This site is not in a Qualified Census Tract or within an Opportunity Zone.





Figure 5: Clear Acre Aerial

Master Plan / Land Use

The site has master plan land use designations of Public/Quasi-Public (PQP) and Single-Family Neighborhood (SF). The zoning on these parcels include Mixed Use – Dandini Regional Center and Single Family Residential, 15,000 sq. ft lots (SF-15).



Figure 6: Clear Acre Site Master Plan Designations



Figure 7: Clear Acre Site Zoning Designations



Site Characteristics

The site is presently undeveloped and does not have a history of past uses apart from several dirt roads/trails that are located on the site, but are not a part of a formal road/trail system. Topographic constraints exist on site and have reduced the combined total developable area of the parcels from \pm 32.24 acres to \pm 22.26 acres.

Access

This site will be accessed via Clear Acre Lane and Scottsdale Road. A sidewalk and bicycle lane are adjacent to the site on Clear Acre Lane. The closest transit station connects to Route 5 on Clear Acre and Scottsdale Road. According to the Leland Consulting Site Evaluation memo, this area has a Walkscore of 52 and a Bikescore of 43, meaning some errands can be accomplished on foot, but there is minimal bicycle infrastructure.

Utilities

The site is adjacent to existing development with infrastructure that future development could connect to. It is anticipated this project will be served by municipal water and sewer services located in Scottsdale Drive and/or Clear Acre Lane. A proposed water tank is included within the project area, pending further discussions with the Truckee Meadows Water Authority. The tanks are not necessary to serve this specific project, but are an anticipated improvement for this area as a whole. Refer to Figure 9 for a utility plan.

Site Plan

Strong population growth, market trends and surrounding land use types indicate that a mixture of townhomes and garden apartments are feasible. Few commercial amenities exist in the area, creating opportunity for a retail component on this site as well. The majority of housing within a one-mile radius includes single-family residences, with several multifamily residences. However, no new multifamily developments have been constructed since 2009. The market rents for this area average \$1.30 per square foot or \$1,145 per unit. Refer to Figure 8 for a conceptual site plan.

The market analysis for this site (Refer to Appendix D) recommended a mixture of residential and non-residential uses with a transit component. The site plan (refer to plan on next page) depicts the following:

- Multifamily residences (± 12 acres, 240 to 360 units)
- Townhomes (±8 acres, 80 to 128 units)
- Retail (± 1 -acre, 10,000-15,000 sq. ft)
- Park and ride facility (±1 acres)
- Park/open space (±1 to 2 acres)

Entitlements

The entitlement process for this site is dependent on future plans for the property. This site is publicly owned by the RTC so no coordination to purchase property from private individuals is anticipated. On the Mixed Use / Dandini Regional Center parcels, the uses recommended by the market analysis are permitted by right, without an additional entitlement process, provided all development standards are followed. This includes the residential uses and the park and ride facility.

However, the SF-15 parcels will require a master plan amendment and a zoning map amendment to allow for nonresidential uses in the site plan. To arrive at the contemplated site plan, the master plan and zoning designations will need to change to match the higher density residential and nonresidential contemplated uses. For the master plan designation, it is suggested the area be altered to a mixed use land use such as Suburban Mixed-Use (SMU) to allow for a rezoning of the parcel to match the adjacent Mixed Use / Dandini Regional Center parcels to the west to maintain consistent development patterns throughout the project and allow for the contemplated uses in the site plan.

Residential adjacency requirements will apply to this site due to the proximity to single family residences to the north, west, south, and southeast. Additional screening, setbacks and other details will likely need to be included within the final site development to meet the requirements of City of Reno municipal code.



*For illustrative & discussion purposes
Draft concept subject to change

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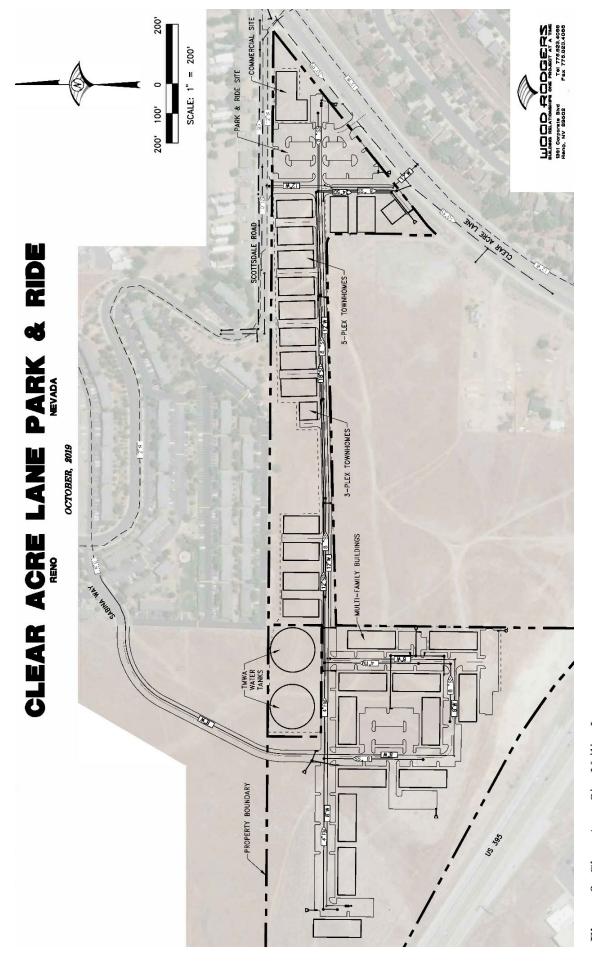
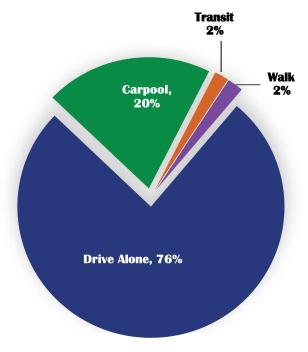


Figure 9: Clear Acre Site Utility Layout

Demographics25

This area is within Washoe County Census Tract 17.02, bounded by Reno Vista Drive, Scottsdale Road, and Golfview Road to the to the north, US 395 to the west, El Rancho Drive to the East, and Oddie Boulevard to the south. This area contains a greater proportion of renters (60%) to homeowners (40%). Ninety percent of households in this census tract have a personal vehicle available while 10% do not. The majority of the population either drives or carpools to work and 4% use alternative means of transportation.

| Census Tract 17.02 | | |
|-------------------------|-------|--|
| Occupied Housing Units: | 2,214 | |
| Renters: | 1,330 | |
| Owners: | 884 | |
| Average Household Size: | 2.69 | |
| Mobility: | | |
| No vehicle available | 10% | |
| 1+ vehicle available | 90% | |



Services

The closest grocery store, WinCo, is located \pm 1.1 miles from the project site, an approximately 7-minute drive, an 8-minute bike ride, a 21-minute bus ride or a 22-minute walk for future residents. Additional retail can be accessed by car, transit or bicycle in Sun Valley, including a Scolari's located approximately 2 miles away, a 5-minute drive, 12-minute bike ride, or 9-minute bus ride. Providing additional retail space in this proposed project may encourage a closer proximity to grocery and other services in this area for not only this development but adjacent residences in this area. One additional transit route, Route 15, is available within a $\frac{3}{4}$ mile radius of the site.

This site is within the Reno city limits and future development could be served by City of Reno fire and police services. The closest medical services are both regional hospitals, Renown and Saint Mary's located approximately 3 miles away. Recreational and park facilities for this site include Melody Lane Park, located less than one-mile way, a 2-minute drive or 15-minute walk from the site. Wildcreek Golf Course, a public golf facility, is located approximately 1.5 miles from the site, a 5-minute drive or 20-minute walk from the site. Refer to the Services Map on the following page for additional details.

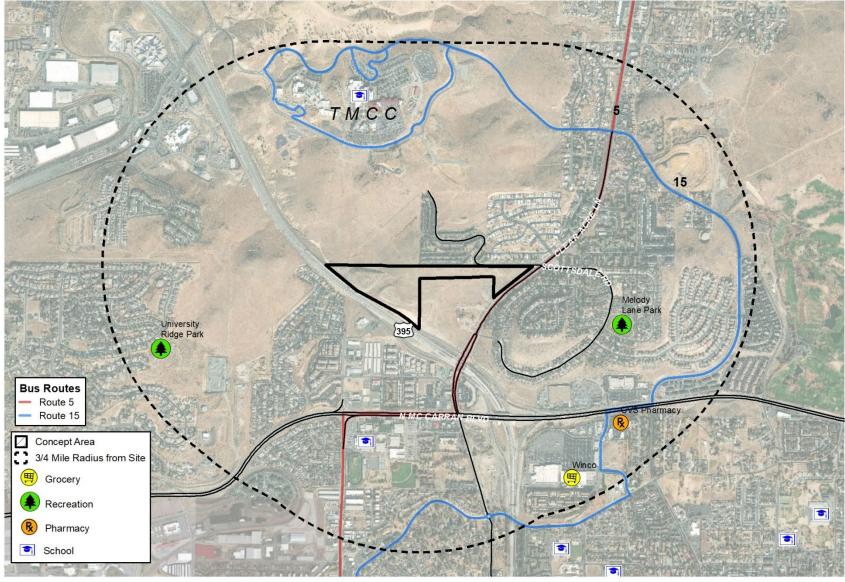


Figure 10: Clear Acre Site Services Map



Site Analyses & Illustrative Concepts

South Virginia Street Site

This study presents initial concepts for discussion. Any further refinement or action relating to these concepts will involve an extensive community engagement process. No timeline for further studies has been identified.

Location

The site has a total undeveloped area of \pm 3.78 acres and consists of 5 parcels of privately owned property within the City of Reno. The RTC does not own these properties and fulfilling the goals of this site plan will require purchase of all parcels. The main interest in this site is the proximity to an existing RAPID route, with high ridership and a small shelter that warrants construction of an expanded transit station. Additionally, the zoning of these parcels encourages high density, walkable development, especially along rapid transit routes.

The surrounding area includes a mixture of uses, ranging from single family and multi-family residences, commercial and retail establishments, as well as hotel/casinos. Uses in the immediate proximity include the Peppermill Resort across the street, a variety of commercial businesses to the west and south, a manufactured home park to the north, and single-family residences to the east and southeast.





Figure 11: South Virginia Street Site Aerial

Master Plan / Land Use

The master plan land use designation for this site is Urban Mixed-Use and the zoning is South Virginia Street Transit Corridor (MU/SVTC). This zoning encourages high density, walkable development, particularly along rapid transit routes. This site is also in a Qualified Census Tract within an Opportunity Zone and eligible for certain tax incentives for low income development.

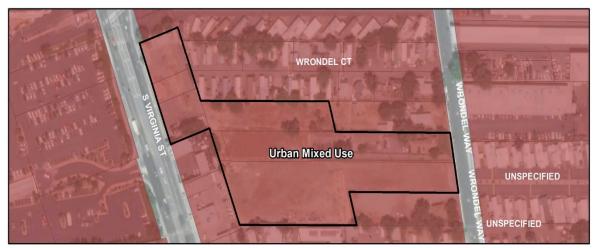


Figure 12: South Virginia Street Site Master Plan Designations

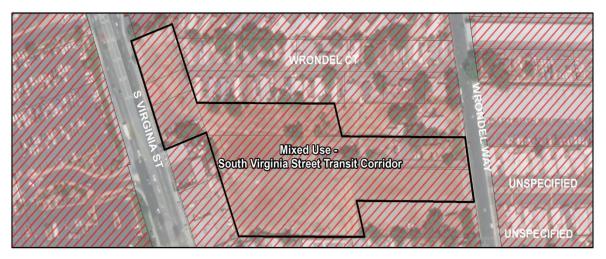


Figure 13: South Virginia Street Site Zoning Designations



Site Characteristics

This site is generally flat and vacant. There is planned transit investment at this site, including construction of RAPID station and sidewalk improvements.

Access

This site will be accessed via Wrondel Way to avoid conflict with the existing traffic flow and transit stop. A sidewalk and bicycle lane are adjacent to the site on South Virginia Street. The closest transit station is located in front of the site, connecting to the RAPID and Route 1. According to the Leland Consulting Site Evaluation memo, this site has a Walkscore of 73, indicating most errands can be accomplished on foot. However, the Bikescore is 63, meaning there is some bicycle infrastructure but it is not convenient for most trips.

Utilities

The site is adjacent to existing development with infrastructure that future development could connect to. It is anticipated this project will be served by municipal water and sewer services located in South Virginia Street and/or Wrondel Way. Refer to Figure 15 for a utility plan.

Site Plan²⁴

Strong population growth is projected in the area with the forthcoming Park Lane development. The presence of the Park Lane development may demonstrate support for higher rents, as new construction typically outpaces market average. The market rents for this area presently average \$1.35 per square foot or \$1,025 per unit. The market analysis for this site (Refer to Appendix D) recommended a mixture of residential and non-residential uses with a transit component. The conceptual site plan (refer to Figure 14) depicts the following:

- Podium style multifamily building $-\pm 56,000$ square feet
- Retail building $-\pm 12,000$ square feet
- Retail (±1 acre, 10,000-15,000 sq. ft)

Pedestrian access is contemplated to extend internally through the site, with access points to the buildings along sidewalks on South Virginia Street and Wrondel Way.

Entitlements

The zoning allows for mixed use and multi-family developments by right, without an additional process. However, the RTC or private partner interested in implementing this site plan will need to purchase several private parcels to complete the site plan.



Figure 14: South Virginia Site Layout

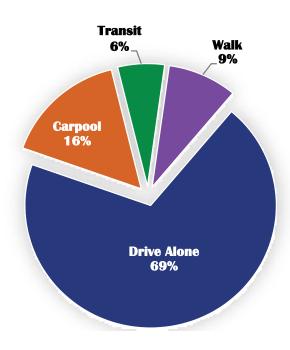


Figure 15: South Virginia Site Utility Layout

Demographics²⁶

This area is within Washoe County Census Tract 9 bounded by East Plumb Lane to the north, South Virginia Street to the west, Yori Avenue to the east, and East Moana Lane to the south. This area contains a far greater proportion of renters (87%) to homeowners (13%). Ninety-five percent of households in this census tract have a personal vehicle available while 5% do not. The majority of the population either drives or carpools to work; however, 15% use alternative means of transportation.

| Census Tract 9 | | |
|-------------------------|----------|--|
| Occupied Housing Units: | 1,761 | |
| Renters: | 1,525 | |
| Owners: | 236 | |
| Average Household Size: | 2.3-2.65 | |
| Mobility: | | |
| No vehicle available | 5% | |
| 1+ vehicle available | 95% | |



Services

Three grocery stores, three parks, a library and two pharmacies are within a ¾ mile range of the site. The closest grocery store, an Asian food market, is located 1/10 of a mile away, a 2-minute walk and less than 1-minute drive from the site. The closest medical services are both regional hospitals, Renown and Saint Mary's, located approximately 3 miles away. The closest recreational opportunities include Virginia Lake, approximately ¼ mile from the site, a 2-minute drive and 11-minute walk. This site is located within city limits and is anticipated to be served by City of Reno police and fire services. Close proximity to the RAPID station and an additional standard bus route, Route 1, make transit easily accessible in this area. Five additional transit routes are within a ¾ mile radius of the site including Routes 6, 9, 12, 13 and 19. Refer to the Services Map on the following page for additional details.

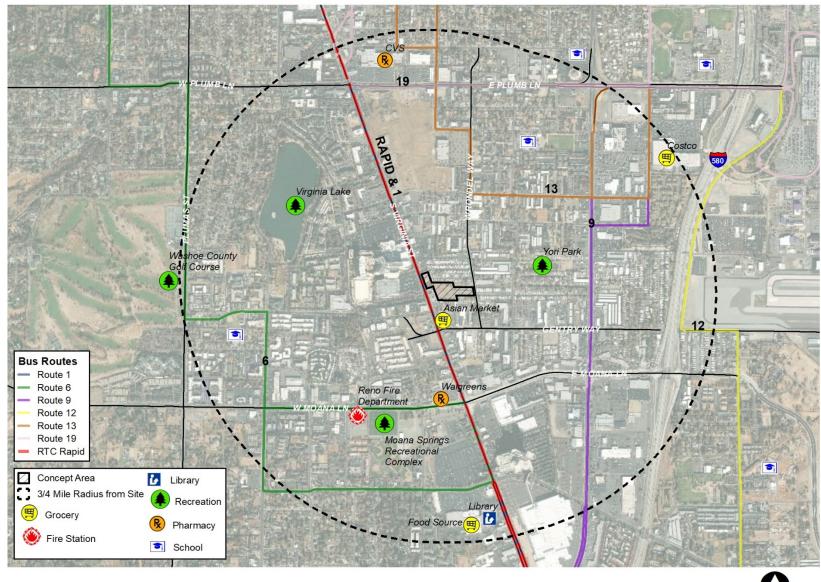


Figure 16: South Virginia Street Site Services Map



Site Analyses & Illustrative Concepts

Neil Road Site

This study presents initial concepts for discussion. Any further refinement or action relating to these concepts will involve an extensive community engagement process. No timeline for further studies has been identified.

Location

This ± 5.37 acre site consists of two full parcels (± 4.3 acres) and a ± 1.07 portion of the Meadowood Mall parcel located at the intersection Neil Lane and Meadowood Mall Circle, adjacent to Meadowood Mall, within the City of Reno. The two southmost parcels are owned by Meadowood Mall and the northmost parcel is owned by Sears. The zoning of these parcels encourages high density, walkable development, especially along rapid transit routes. The surrounding area includes a mixture of uses, notably several multi-family residential complexes to the east and south, and Meadowood Mall, a large retail establishment and associated parking area to the north.



Figure 17: Neil Road Site Aerial



Master Plan / Land Use

The site has a land use designation of Suburban Mixed Use and a zoning of Mixed Use in the Convention Regional Center Overlay district. Two parcels (APNs 025-372-32 and 025-372-29) are located within the Meadowood Mall Specific Plan District. This site is also in a Qualified Census Tract within an Opportunity Zone and is eligible for certain tax incentives for low income development.

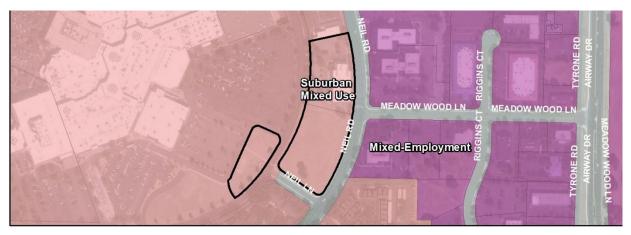


Figure 18: Neil Road Site Master Plan Designations

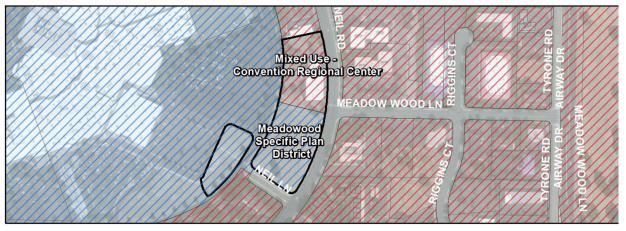


Figure 19: Neil Road Site Zoning Designations



Site Characteristics

This site is generally flat and vacant with the exception of one parcel that contains the now vacant Sears Tire Center building on site. With future development, it is anticipated that the current structures on the parcel would be demolished and repurposed to include the new project area. A sidewalk bisects the westmost parcel to provide pedestrian access to the mall and outlying area. There is potential for transit investment at this site, including construction of a new transfer station.

Access

This site will be accessed via Meadowood Mall Circle and bus access will be from Neil Road or Meadowood Mall Circle. A sidewalk is located along Neil Lane and Neil Road. A bicycle lane is along Neil Road. The site is in close proximity to many transit options, including the RAPID and Regional Connector as well as Routes 1, 9, 12, 54, 56, 57. According to the Leland Consulting Site Evaluation memo, this area has a Walkscore of 68, indicating some errands can be accomplished on foot, as well as a Bikescore of 75, meaning biking is convenient for most trips.

Utilities

The site is adjacent to existing development with infrastructure to which future development could connect. It is anticipated this project will be served by municipal water and sewer services located in Neil Road. Refer to Figure 21 for a utility plan.

Site Plan²⁶

The parcels for this site plan are presently underutilized and within an area well suited for a higher density, transit-oriented development. Refer to Figure 20 for a conceptual site layout. The last building completed in this area was built in 1988 and no new construction is currently occurring near this site. Rents within a one-mile radius of the site are relatively high, with an average of \$1.52 per square foot or \$1,188 per unit. It is contemplated that the new multifamily building would be constructed to architecturally connect to the proposed bus transfer facility. The market analysis for this site (Refer to Appendix D) recommended a mixture of residential and non-residential uses with a transit component. The conceptual site plan (refer to plan on next pages) depicts the following:

- Bus transfer facility (± 2.3 acres)
- Park and ride facility (± 1.07 acres)
- Multi-family residences ($\pm 69,000$ square feet)
- Ground floor retail ($\pm 29,000$ square feet)

Entitlements

The RTC does not own this property. APN 025-372-31 is owned separately from the remaining parcels. The other parcels (025-372-29 and 025-372-32) are owned by Meadowood Mall and are included within the Meadowood Mall Specific Plan District which includes a handbook with design standards (Refer to Appendix E). Per the handbook, development of the bus transfer and park and ride facilities require a Site Plan Review through the City of Reno. The northmost parcel, APN 025-372-31, can contain the proposed mixed use building shown on the site plan without an additional entitlement process, provided all City of Reno development standards are followed. It is contemplated, with the development of these parcels, that the transit center currently located at the entrance of Meadowood Mall would be relocated to this site.



Figure 20: Neil Road Site Layout



NEIL ROAD SITE NEVADA FEBRUARY 2020 PROJECT BOUNDARY 100' 100' SCALE: 1" = 100' PARKING GARAGE ENTRANCE/EXIT PARKING GARAGE ENTRANCE/EXIT WRAP AROUND RESIDENTIAL 46,000 SQ FT PER FLOOR (GROUND FLOOR RETAIL 28,500 SQ FT) PARK AND RIDE ENTRANCE/EXIT-MEADOW WOOD LN TRANSFER STATION ENTRANCE/EXIT TRANSFER STATION PARK AND RIDE RIGHT IN / RIGHT OUT

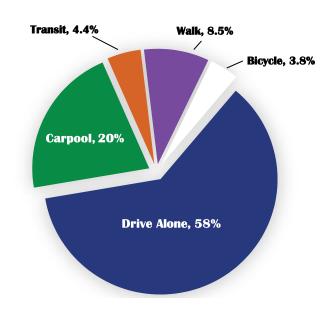


Figure 21: Neil Road Utility Plan

Demographics²⁷

This area is within Washoe County Census Tract 22.04 bounded by Peckham Lane to the north, Interstate 580 to the Northwest, South Virginia Street to the west, and Longley Lane to the south. This area contains a far greater proportion of homeowners (68%) to renters (32%). Ninety-five percent of households in this census tract have a personal vehicle available while 5% do not. The majority of the population either drives or carpools to work and 18% use alternative means of transportation.

| Census Tract 22.04 | | |
|--------------------------------|-------|--|
| Occupied Housing Units: | 1,989 | |
| Renters: | 628 | |
| Owners: | 1,361 | |
| Average Household Size: | 2.65 | |
| Mobility: | | |
| No vehicle available | 5% | |
| 1+ vehicle available | 95% | |



Services

This site is currently served by the Virginia RAPID transit line extending from RTC 4th Street Station in Downtown Reno to the Meadowood Mall Transfer Station along South Virginia Street. Several other bus routes also use this transfer station, including Route 1, 12, 54, 56 and the Regional Connector to Carson City. Sidewalks and bicycle lanes are located adjacent to the property along Neil Road and an existing sidewalk cuts through the center of the parcel closest to Meadowood Mall.

This site is located less than one mile from several grocery stores, including Trader Joe's and Whole Foods, an approximately 13-minute walk, 5-minute drive and 10-minute bus ride. Other shopping services can be found at the Meadowood Mall. The proximity to a RAPID transit transfer station will also provide easy access to transit for future residents. The closest medical services include Concentra Urgent Care located approximately 1 mile away, and Renown South Meadows Medical Center located approximately 3 miles away.

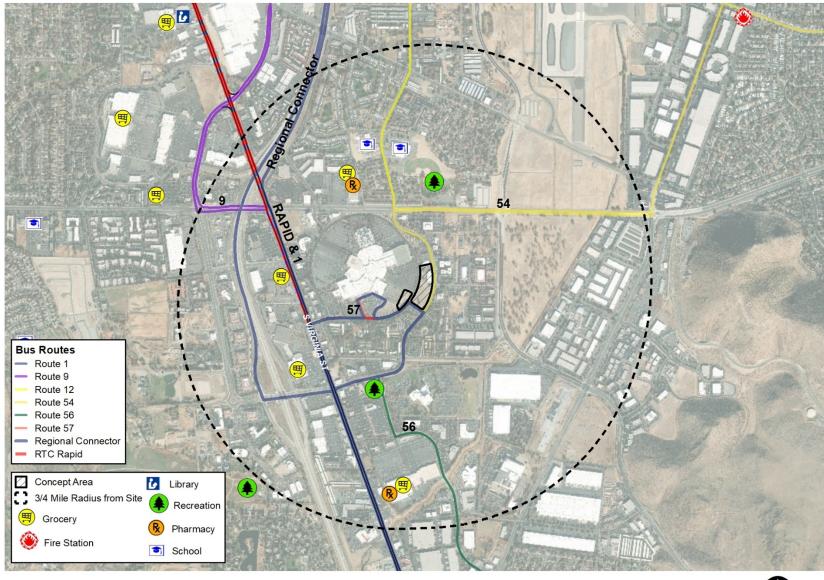


Figure 22: Neil Road Site Services Map



Cost Estimates and Implementation Strategies



The Federal Transit Administration (FTA) provides financial assistance programs for eligible capital projects. Eligible capital projects involve development of new transit systems or help improve, maintain and operate existing systems. "Joint development" in this context refers to, "a public transportation project that integrally relates to, and often co-locates with commercial, residential, mixed-use or other non-transit development." FTA-assisted joint development is any joint development project that uses FTA funding or property acquired with FTA funding.

A "joint development" has a smaller scope to a TOD and the recipient of FTA funding is an active partner, contributing either property or funds for use in the joint development project. Joint developments involve a public/private partnership, requiring public entities to make investments to publicly owned property like transit centers, streets or accessible pedestrian amenities in order for private investment to develop or redevelop these properties to their greatest potential.

With FTA assistance, the RTC has potential to acquire properties and partner with private or public interests to develop the property. Joint development is an eligible expense under all FTA capital funding programs, if it meets certain criteria.

Eligible projects for joint development must:

- 1. Enhance economic development
- 2. Enhance public transportation
- 3. Partner to provide a fair share of revenue
- 4. Tenants must pay a fair share of the operating and maintenance cost

Source: FTA Circular 7050.1A. 2016

A wide range of joint development activities eligible for FTA funding and reimbursements. primarily funding construction activities and improvements as well as other professional services like design, engineering and environmental analysis. No specific grant program is available for joint development ventures, but close consultation with the FTA and the participating transit agency is recommended to ensure streamlined process.

Additional funding strategies for this affordable housing project could include local, state or national grants, subsidies or tax credits. Other affordable housing projects in Nevada have successfully used the Low Income Housing Tax Credit to attract investors to develop affordable housing projects. Subsidies from HUD and other state or local jurisdictions may be available to subsidize rental prices for tenants.

Financial Analysis

Cost estimates were provided by Leland Consulting in January 2020. Leland Consulting modeled the financial feasibility of the proposed projects and site plans for each site. Overall, each site plan was determined to be feasible if certain criteria were met. Below is a summary of the financial analysis and cost estimates. The full analysis is available in Appendix D.

Methodology

The financial analysis determined feasibility using the "residual land value" of each model which represents the price that a developer could afford to pay for the land after other hard and soft costs in today's market. Table 5 briefly defines each input for the financial analysis. Additional details can be located in the full financial analysis in Appendix D.

Table 5 – Inputs of Financial Analysis, provided by Leland Consulting

| Term | Definition |
|------------------------------|--|
| Program | Site size Square feet of retail/restaurant, office, or other commercial uses Number of housing units Parking: Number and type of spaces Building height, floors, and other design attributes |
| Timing | Construction startCertificate of occupancyLease-up period |
| Costs | Land or building purchase Site preparation (e.g demolition, grading) Hard costs (e.g. construction and other development costs) Soft costs (e.g. architecture and engineering, project management, permits and fees, insurance, loan interest, contingency) |
| Operating Revenue & Expenses | Rent revenue from retail, office, residential, parking Vacancy Operating expenses for management, utilities, taxes, insurance, maintenance, etc. Net operating income (NOI: revenue less expenses) |
| Return on Investment | Comparison of net operating income to total project cost Project capitalization rate* of 5.5% |

^{* &}quot;Capitalization rates" or "cap rates" are the ratio between the net operating income produced by a real estate investment and the original capital cost or current market value

Based on market analysis, a range of housing types were considered for each site. These housing types are included in each of the Site Analyses & Illustrative Concepts section for each site. Eight development alternatives were developed for each site. Additional details on how each of these inputs were calculated is included in Appendix D.

Eight alternatives were analyzed. The alternatives varied based on:

Table 6 – Variables of Alternatives, provided by Leland Consulting

| Variable | Description |
|--------------|--|
| Program | High and low range of total housing units assumed for each site |
| Parking | Low (1.0 spaces per unit) versus high parking ratios (1.25 spaces per unit) |
| Rent premium | Newly-constructed housing units will likely outperform the local market average, as tenants are likely to pay more for new and modern units. |

This rent premium was added with the understanding that newly constructed housing units will likely outperform the local market average in their location. Simply, a newer, modern building in an area with slightly older multi-family housing stock may be more appealing to new tenants in the area.

Findings

The key takeaway from the report is that increased density, rent premiums and reduced parking ratios improved development feasibility. Rent premiums had the greatest impact on development feasibility while reducing parking ratios had the greatest effect on development programs with structured parking (South Virginia Street and Neil Road sites). Figure 1 provides the total number of proposed units for each alternative, the inputs, and the final residual land value.

Figure 23 – Best Performing Alternatives and Residual Land Value of Each Site



This market analysis was completed to test the general feasibility of each site plan in today's market conditions. Additional subsidies and grants may be necessary to further reduce hard and soft costs associated with construction as well as reduce rents to a level that meets affordable housing requirements for the FTA and any other public or nonprofit entities providing funding.

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 - —. 2017. "American Community Survey 2013-2017: Table DP04 Selected Housing Characteristics. Washoe County Census Tract 22.04" Reno, NV: U.S. Census Bureau.
 - —. 2017. "American Community Survey 2013-2017: Table S0801 Commuting. Washoe County Census Tract 22.04" Reno, NV: U.S. Census Bureau.

Appendix A

Technical Memorandum



To: Andrew D. Durling & Stacie Huggins

Wood Rodgers, Inc. ("WR")

From: John Restrepo & Hubert Hensen

RCG Economics ("RCG")

Date: April 24, 2019

RE: RTC 18-1 Affordable Housing Study

I. Executive Summary

RCG prepared a review of housing affordability in the Reno-Sparks Metropolitan Statistical Area ("MSA") in three sections. Each section covered a different aspect of the issue of housing affordability in the region.

- A. Review and High-Level Summary
- B. Define Affordable Housing
- C. Site Selection Guideline Literature Search

The first section provides a summary of two reports regarding urban growth in the Reno-Sparks MSA. The first report titled Housing Our Future ("the TMRPA report") discusses a 10-year strategy for making more affordable housing available in the Reno-Sparks area. This report contains two sections. The first part is the Community Profile and the second is the Strategy Roadmap. The first section discusses the demographics of the Truckee Meadows region (a subset of Washoe County) and establishes that there is indeed a lack of affordable housing in the area. The second section discusses remedies for the region's affordable housing shortcomings.

The second report, titled, Virginia Street Transit Corridor 90-Day Assessment Memorandum ("the streetcar report"), discussed in the first section deals with a transit system in part of the Reno-Sparks MSA. The report finds that the Virginia Street Corridor could be a prime spot for a streetcar system. However, the report is nearly 10 years old and needs to be revisited.

In the second section, RCG reviews data on the Reno-Sparks MSA and finds further evidence of a lack of affordable housing in the region. Housing prices and rents do not align with household earnings in the region and, therefore, put many households in a difficult position in terms of income availability for housing.



In the last section, RCG discusses the results of a literature search. Based on this search, we discuss methods that have been used in other areas of the country to improve the availability of affordable housing through urbanization techniques, some of which have been proposed in the Reno-Sparks MSA.

II. Section 3 Overview

WR asked RCG to provide a review and high-level summary of the TMRPA and streetcar reports and how they relate to housing affordability. Based partly on these two sources, RCG also developed some metrics on what constitutes affordable housing in the Reno-Sparks MSA. Furthermore, RCG helps WR identify parameters for affordable housing site selection, based on a literature search.

A. Review and High-Level Summary

Truckee Meadows Regional Strategy for Housing Affordability

The TMRPA report proposes a set of strategies and a roadmap for growing the affordable housing stock in the Truckee Meadows. The report introduces and defines the use, need and impact that affordable housing has, and can have, on the region. This report also estimates housing costs, by income level, using the generally-accepted rule-of-thumb that 30 percent of a household's income covers housing costs. The profile reinforces the argument that affordable housing is in short supply and further dwindling in the Reno-Sparks MSA.

The TMRPA report also discusses the role of private and public organizations in delivering affordable housing. There are various programs that incentivize such housing, offered by the federal government on down to the municipal level. Additionally, many public and private organizations are banding together to find ways to promote new affordable housing projects.

The narrative that the TMRPA report promotes—that 1) there is a lack of affordable housing and 2) demand for affordable housing is growing, especially considering growth in lower-income minority groups and fixed-income elderly populations—ring true, based on the analysis and data presented. This is simply the reality of changing demographics. The problem lies in making more affordable housing available.

¹ Truckee Meadows refers to a subset of Washoe County that includes both main cities in the County, Reno and Sparks, as well as much of the surrounding area, but does not include the Lake Tahoe Basin.



The TMRPA puts forth five strategies to do this:

- 1. Support production of more affordable rental housing that is especially accessible to those making less than half of the region's median income
- 2. Support development of more diverse housing options throughout the region
- 3. Expand access to homeownership opportunities
- 4. Preserve the affordability and quality of existing affordable housing
- 5. Protect residents from housing displacement

Each of these strategies is aimed at reversing affordable housing scarcity. These strategies are part of a regional plan that will require the collaborative efforts of entities in multiple jurisdictions. A committee will be formed to orchestrate and spearhead these efforts. That said, it will be difficult to totally eliminate the affordable housing shortage.

The report notes that there are many tools to improve housing affordability already exist. However, more can be done to alleviate the existing scarcity. According to the report, some of the ways that regional stakeholders plan on doing so include funding a regional housing trust fund, establishing mechanisms for preserving existing affordable housing, applying for more federal funding and changing the permitting process and its fee structure to incentivize affordable housing.

Many of these strategies are designed to either enhance the current tools or to add to the existing toolbox. The first of the five strategies discussed is intended to support the production of affordable rental units. The plan to get this done involves several points, including two major ones. The main method planned is to use a trust fund to subsidize housing projects. Subsidization would lower the total costs to the builder, which in turn would allow the owner to rent units out at a lower rate. The question of where to find revenue for this fund has yet to be answered.

The report posits a few sources, but there is still a long road ahead to secure the monies needed. The second main method suggested to potentially bolster the construction of affordable rental units was to amend the criteria for awarding funds from the HOME Investment Partnership Program. This would involve tying funding to affordable housing requirements such that there would be an increase in demand for affordable home building. The remaining methods in the report discussed included expanding the capacity of the Reno Housing Authority, updating local fees to lower the costs of affordable housing construction and expanding the use of inclusionary housing, which is a method of mixing affordable housing with higher-priced housing.

The second strategy in the report is to support the development of more diverse housing options. This strategy's main goal is to better match the housing stock to the types of households in the Truckee



Meadows region. The report's plan to accomplish this is to have the TMRPA identify areas within the region that are best suited for diverse housing types and then to have local jurisdictions implement "by-right" zoning in those areas. By-right zoning is a streamlined zoning mechanism that guarantees approval if a project complies with established standards. According to the report, this type of zoning can help cut down on two major obstacles to delivering affordable housing: the length of the development process and local resident opposition. Part of this strategy will involve relaxing the zoning standards themselves to allow for greater diversity in housing types. The strategy also includes efforts to preserve the existing affordable housing stock through tools like Section 108 financing.

The third strategy in the report was to increase homeownership. This would be done in a number of ways. The report indicates that possibly the most effective method would be to reintroduce down payment assistance at the regional level. A down payment is a necessary part of buying a home, but saving the money necessary to cover the down payment can be difficult, especially for lower-income households. Such assistance would help households overcome this hurdle and make the leap to homeownership. The strategy also proposes creating partnerships with local businesses to help their employees make homeownership more accessible.

As stated in the report, the third prong of this setup would be to leverage community land trusts. Community land trusts are organizations that own the land under many houses. Under this scenario, a house is purchased without the expense of the land, which lowers the entry price into homeownership. The homeowner then leases the land from the trust. Using this method of home purchase, the buyer makes an agreement with the land trust that ultimately subsidizes the value of the home with the increasing value of the land. This is partly accomplished by spreading the value of the trust's land holdings over many properties. Spreading the value of the higher priced real estate over the lower priced real estate stabilizes home prices.

Another method discussed in the report to increase homeownership is to support homeowners that would like to rent out accessory dwelling units. These are small units that are located on the property of a larger single-family home. This offers a win-win situation. It increases the affordable housing stock by offering smaller, less expensive units and helps supplement the income of the property owner.

The report's fourth strategy revolves around maintaining the existing affordable housing stock. All the methods discussed involve subsidizing property rehabilitation and improvement in one way or another. For example, one method proposed was to establish a "property assessed clean energy" program to offer low-rate lending for qualifying energy upgrades. These upgrades tend to lead to lower future costs, lowering



rents in the process. Another method was to provide remediation to get buildings up to code without increasing rents.

The report's fifth and last strategy to improve home affordability involves protecting existing residents from displacement. The report proposes accomplishing this using a mix of incentives, rent assistance and a right of first refusal policy. The incentives are meant to keep redeveloped and improved housing as part of the affordable stock. The report also suggests offering rent assistance to low-income households. This would attempt help defray the costs of housing for those that need assistance the most. Another mechanism proposed in the report to keep affordable housing from being repurposed is to require owners that accept public funds in the form of rent assistance to offer the right of first refusal to interested parties, based on parameters to be determined by the regional housing entity. In this case, some interested party would be able to purchase the property to keep it in the affordable housing stock.

Generally, this report proposed several methods for affordable housing policy that incentivize growth in housing for lower-income households. Many of the regulation streamlines described could help alleviate the region's affordable housing crunch. However, some of the proposals could result in increased regulation and market distortions. Furthermore, several of the recommendations in the report presented could become quite costly and rely on private-sector and non-profit support. This could potentially lead to other issues down the road. It may be prudent to give some of these goals greater scrutiny. And, it will take a lot of planning and discussion at the local and regional levels to meet the goal of increasing the supply of affordable housing.

Virginia Street Transit Corridor 90-Day Assessment Memorandum

The streetcar report concludes that the Virginia Street Corridor ("VSC") is well-configured to take advantage of the opportunity for rail. The report also states that existing zoning and land availability supports attracting higher density mixed-use development. This could be useful because the TMRPA study showed higher density residential development can help improve home affordability.

This report has a limited tie-in to affordable housing, but connections can be inferred, based on the expected development types as well as with the development seen in other cities where streetcars have been introduced. However, the biggest drawback of the streetcar report is its age. It was released in August 2010, only one year after the end of the Great Recession and nearly nine years ago at the time of this writing, so its findings are somewhat out-of-date. The report's call for a follow-up on project feasibility is certainly necessary at this point, regarding the utility of a streetcar system along the VSC.



At the time of its publication, the report found that a streetcar project in the VSC would accelerate development and produce additional benefits compared to development without the project. These benefits were estimated at:

- \$1 billion in additional investment
- Over 4.170 additional residential units
- Over 7.4 million additional square feet
- Over \$60 million in additional property tax revenue.

However, these results should be updated. The Reno-Sparks MSA has seen significant growth in the intervening years since the report was released, including the arrival of Tesla's Gigafactory. The project's effect in this new housing-constrained Reno-Sparks area could lead to different results than previously anticipated.

B. Define Affordable Housing

The definition of "affordable housing" varies between markets, and can be arbitrary. However, in Nevada, it has been given a specific definition according to NRS 278.0105: "Affordable housing" means housing affordable for a family with a total gross income that does not exceed 80 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.

What constitutes housing affordability is often based on a rule-of-thumb, which simplifies the task of identifying affordable housing in a community. This rule-of-thumb is that households can afford to spend up to 30 percent of their incomes on housing. Based on the Nevada definition, we can calculate the cutoff for affordable housing. For this example, we used U.S. Census Bureau median income data. We did this because the data below are measured in terms of households rather than families, as are the HUD data. This should not pose an issue, though, because the HUD estimates are based on Census Bureau income data as well. Using these data, we find that the median household income in 2017 was \$58,595. Eighty percent of this median income is \$46,876. Thirty percent of this figure gives us the annual housing expenditures for "affordable housing," which is \$14,063, or \$1,172 per month. We did not adjust these figures to 2018 dollars because the difference between 2017 and 2018 dollars is negligible in this case.

² Hulchanski, J. David. The Concept of Housing Affordability: Six Contemporary Uses of the Expenditure to Income Ratio. Housing Studies, 10 (4). 1995.



Using data on the distribution of incomes in the Reno-Sparks MSA, we developed a range of household incomes to obtain a range of "affordable housing" spending for those income groups. RCG obtained household income data from Woods & Poole Economics ("WPE") for 2018. The data show the number of households in the Reno-Sparks MSA in 11 income categories. We multiplied these categories by 30 percent to produce a home affordability range (see Figure 1). As expected, most households fall somewhere in the middle of the data set. Based on the definition above, we find that about 40 percent of households in the Reno metro area fall below the income threshold needed to obtain what the state considers "affordable housing."

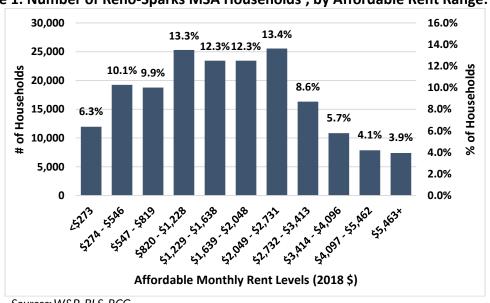


Figure 1: Number of Reno-Sparks MSA Households', by Affordable Rent Range: 2018

Sources: W&P, BLS, RCG

It is also possible to further examine the housing situation using these data. WPE reports, and the Census Bureau supports, the observation that there are a relatively large number of households in the under \$10,000 per year income category in 2009 dollars (the WPE household incomes are reported in 2009 dollars. Accordingly, RCG converted them into 2018 dollars so that we could match income to 2018 rents. However, we still used the income ranges reported by WPE because they are convenient ranges).

According to WPE, 6.3 percent of Reno-Sparks households fall in the below \$10,000 group. Similarly, the Census Bureau found that 6.2 percent of Washoe County households in 2016 fell into this income group in 2016 dollars. If those households are spending 30 percent of their annual incomes on housing, that amounts to \$273 per month in 2018 dollars. One would be hard-pressed to find that kind of rent for a single unit of any kind. These households may be comprised of private room renters, younger people living with their parents as well as retired fixed-income households that have paid off their homes.



Additionally, more than 25 percent of all WPE-reported households fall into the first three categories, with an annual income of less than \$30,000 per year. Households in this income cohorts have little chance of qualifying for a home loan and almost certainly rely on renting. In fact, according to an October 2018 article by CreditDonkey³, most households in the first five income categories would be unlikely to qualify for homeownership under most circumstances. That represents about 50 percent of Reno-Sparks households that have no choice but to rent.

We can compare these household data to housing data to see how the housing affordability landscape looks. To help do this, we used apartment price data for the Reno-Sparks MSA from Johnson Perkins Griffin, a Reno-based appraisal firm, to analyze average apartment rents by unit type (see Figure 2).

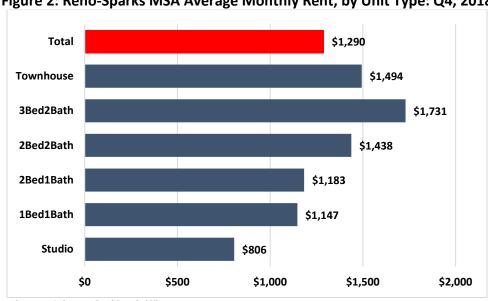


Figure 2: Reno-Sparks MSA Average Monthly Rent, by Unit Type: Q4, 2018

Source: Johnson Perkins Griffin

This shows that the average apartment rent in Q4, 2018 was \$1,290 per month. This rent would fall into the fifth income category (\$53K - \$70K per year in 2018 dollars). For a studio apartment, the apartment type with the lowest rent, the monthly cost was \$806. This rent level would represent an over-burden to nearly every household in the first three household income categories—those households with incomes up to \$35,000 per year. Needless to say, when 25 percent of households cannot afford to live in a studio apartment, there may be housing affordability issues.

³ https://www.creditdonkey.com/money-buy-house.html



Data from the National Association of Home Builders ("NAHB") corroborate that evidence. The NAHB produces a measure of home affordability called the Housing Opportunity Index ("HOI"). This index measures the proportion of homes that have monthly mortgage payments that can be covered by the region's median income.

In Q3, 2018, the Reno-Sparks MSA had an HOI of 37.8, meaning that only 37.8 percent of homes had a monthly payment that could be covered by the median income, assuming a household spends 28 percent of its income on housing. That is exceedingly low compared to Reno-Sparks' post-recession affordability peak in Q1, 2012, when the HOI was 77.5.

Reno home affordability is also low compared to other similarly-sized metropolitan areas around the country (see Figure 3).

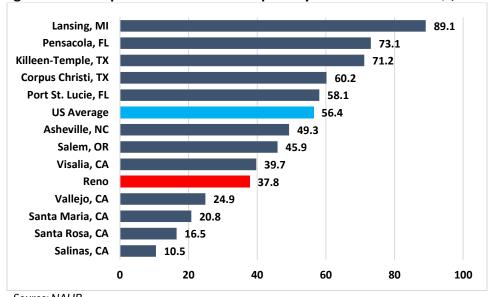


Figure 3: Reno-Sparks MSA HOI vs Comparably-Sized US Metros: Q3, 2018

Source: NAHB

RCG examined all metros with a population within 40,000 persons of the Reno-Sparks MSA for which the NAHB produces the HOI. Of the 13 metros included, the Reno-Sparks MSA was the fifth least affordable. The only four cities placing worse were all in California. Three of these are proximate to the Bay Area and one is near the Los Angeles-Riverside megalopolis, which do not make for great comparisons relative to the Reno-Sparks MSA. Visalia, CA, Asheville, NC, Corpus Christi, TX and Pensacola, FL make for the best comparisons in that they are fairly distant from any large metropolitan areas. All of these cities are more affordable than Reno for a larger share of households, especially Corpus Christi (HOI of 60.2) and Pensacola (HOI of 73.1).



C. Site Selection Guideline Literature Search

Transit-Oriented Development ("TOD") is a popular concept in the planning for growth of communities. Interest in TOD is the result of three trends. First is the resurgence of investment in downtowns across the US. Demographic changes, including higher immigration, aging of baby boomers and increase in non-family households increased demand for smaller homes and live-work communities. Second, growth in the suburbs led to issues of traffic congestion and demand by suburban residents for urban-style amenities. Third, rail travel and rail investment are becoming more popular. Many major cities in the country are considering some form of urban rail or busway system.⁴

A TOD is typically defined as a mix of uses, at various densities, within a half-mile radius around each transit stop. The half-mile distance is a well-documented distance most people are willing to walk to commute. However, this is a simplistic definition that does not take into account local characteristics of a particular location. According to Dittmar (2004), not only should the TOD be located in close proximity to transit, the types of uses located within the TOD must be carefully matched with the function of the place and with the needs and desires of residents, workers and visitors. As a result, place-making must be as important a factor in the success of a TOD as access to transit. Dittmar suggests TODs need to achieve a functional integration of transit and surrounding development, as well as a synergy among all its users.

One of the steps in accomplishing this is analyzing the location efficiency of the TOD. Components of location efficiency include:

- **Density:** Sufficient customers within walking or bicycling distance of the transit stop to allow the system to run efficiently.
- Transit Accessibility: Transit stations and stops centrally- or conveniently-located within the TOD and service that allows riders to reach their destinations easily.
- Pedestrian Friendliness: A network of streets within the transit district that is interconnected and scaled to the convenience of pedestrians.

Key variables for measuring location efficiency were found by Dittmar to be households per residential acre, zonal transit density (combination of transit service frequency and proximity to stop or station) and pedestrian/bicycle friendliness (measured by the street grip and age of housing, plus traffic-calming measures).

⁴ Dittmar, Hank and Gloria Ohland. The New Transit Town: Best Practices in Transit-Oriented Development. Island Press, 2004.



A Transportation Research Board ("TRB") (2004)⁵ report, titled "Transit-Oriented Development in the United States: Experiences, Challenges, and Prospects," found that no single definition of a TOD exists and that existing definitions are based on the needs being met by the TOD in each location. The TRB report provided an example of TOD definitions created by various transit authorities across the US (see Table 1).

⁵ TCRP Report 102 Transit Oriented Development in the United States: Experiences, Challenges, and Prospects. Transit Cooperative Research Program. Sponsored by the Federal Transit Administration. Transportation Research Board, 2004.



Table 1: Transit Agency Definitions of TOD

| Transit Agency | Definition |
|--|--|
| ATLANTA: Metropolitan Atlanta Rapid Transit Authority | Broad concept that includes any development that benefits from its proximity to a transit facility and that generates significant transit ridership |
| ASPEN: Roaring Fork Transportation Authority, Colorado | Land development pattern that provides a high level of mobility and accessibility by supporting travel by walking, bicycling and public transit. |
| BALTIMORE: Maryland Transit Administration | A relatively high-density place with a mixture of residential, employment, shopping and civic uses located within an easy walk of a bus or rail transit center. The development design gives preference to the pedestrian and bicyclist. |
| CHARLOTTE: Charlotte Area Transit System | High-quality urban environments that are carefully planned and designed to attract and retain ridership. Typically, TODs provide for a pedestrian-friendly environment. |
| NEW JERSEY: New Jersey Transit Corporation | An environment around a transit stop or station that supports pedestrian and transit use, created by providing a mix of land uses in a safe, clean, vibrant and active place. |
| CHICAGO: Regional Transportation Authority of Northeast Illinois | Development influenced by and oriented to transit service that takes advantage of the market created by transit patrons. |
| ORLANDO: Central Florida Regional Transportation Authority | A sustainable, economically viable, livable community with a balanced transportation system where walking, biking and transit are as valued as the automobile. |
| SALT LAKE CITY: Utah Transit Authority | Projects that enhance transit use, improve the quality of service provided to Authority riders, or generate revenue for the purpose of supporting public transit. |
| SAN FRANCISCO: Bay Area Rapid Transit Authority | Moderate- to higher-density development, located within an easy walk of a major transit stop, generally with a mix of residential, employment and shopping opportunities designed for pedestrians without excluding the automobile. TOD can be new construction or redevelopment of one or more buildings whose design and orientation facilitate transit use. |
| WASHINGTON, DC: Washington Metropolitan Area Transit Authority | Projects near transit stops which incorporate the following smart-growth principles: reduce automobile dependence; encourage high shares of pedestrian and bicycle access trips to transit; help to foster safe station environments; enhance physical connections to transit stations from surrounding areas; and provide a vibrant mix of land-use activities. |

Source: Transportation Research Board

The variety of definitions reflect transit agencies' differing goals for TODs. The highest percentage of stated goals (20 percent) was for an increase in ridership, followed by promoting economic development (15.6 percent) and raising revenues (13.3 percent). Other important goals include enhancing liability, widening housing choices and creating private development opportunities (see Figure 4).



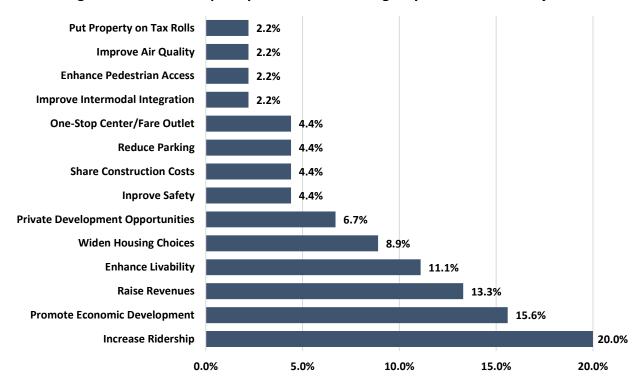


Figure 4: Relative Frequency of Stated Transit-Agency Goals for TOD Projects

Source: Transportation Research Board

According to the Encyclopedia of Transportation (2014), TOD principles include easy transit access, pedestrian-friendly site design, residential and commercial mixed-use development, and a variety of housing options and housing costs. The main goal of a TOD is easy transportation access that allows residents to live close to public transportation options. Most successful TOD designs concentrate development within two zones of the transit station: an initial quarter-mile zone and a secondary half-mile radius around a transit station. This again corresponds to the distance most people are willing to walk for recreation and commuting purposes. Extending a TOD zone requires increased connectivity, such as regular and frequent bus services radiating from the transit station to facilitate a more interconnected transport system.⁶

According to Nevin Cohen (2011), seven principles of the TOD-oriented urban design include the following:

- 1. Regional basis for growth
- 2. Important destinations within easy walking distance of transit stops
- 3. Pedestrian-friendly street networks
- 4. Mix of housing types, densities and costs
- 5. Preserve sensitive habitats

⁶ Garrett, Mark Evan. Encyclopedia of Transportation: Social Science and Policy. Thousand Oaks, California: SAGE Publications, Inc., 2014.



- 6. Orient buildings and neighborhood activities toward public spaces
- 7. Encourage redevelopment along transit corridors within existing neighborhoods⁷

As discussed above, TODs are not a one-size-fits-all solution. One of the recommendations for a successful TOD is considering the trade area of the region, as commuting patterns do not always conform to political jurisdictions. As a result, regional TODs perform better than a plan for a single jurisdiction only. A regional TOD plan must be built on a strong foundation of data, in order to help stakeholders and decision-makers understand existing conditions and benchmark performance. Mapping and modeling can help engage elected leaders and the general public by making the choices and outcomes of the planning process clear. The mapping and modeling efforts should include information about:

- Regional market dynamics and the TOD "readiness" of station areas, including changes in land values
 over time, permit and sales activity, and median income—and this data should be collected for existing
 and planned station areas as well as the region;
- The location of employment clusters and industry sectors, the types of jobs that are located near transit and the size and location of commute sheds;
- The combined cost of housing and transportation in transit-oriented neighborhoods compared to the
 regional and national averages, the location of affordable housing, the location of expiring contracts on
 federally-subsidized housing and an analysis of neighborhoods where there is a threat of displacement;
- Indicators that neighborhoods are changing—such as changes in household composition, income diversity, housing costs and the educational achievement of residents;
- An assessment of development opportunity including the acreage of vacant, underutilized land and nonprogrammed public, commercial and industrial land, and the "holding capacity" of this land at full buildout;
- Commute patterns, transit ridership, jobs-housing balance and jobs-housing "fit"—a measure of the
 relationship between wages and housing costs, which is used to determine whether people of all
 incomes can afford to live near their jobs. Collecting and evaluating this data will help identify key TOD
 corridors and strategic infill opportunities, which will help target resources to the station areas where
 they will have the most effect.⁸

Based on this information, our memo provides a few examples of successful TOD programs and developments across the US.

⁸ Planning for TOD at the regional Scale-The Big Picture. The Center for Transit-Oriented Development.



⁷ Cohen, Nevin. Green Cities: An A-to-Z Guide. Sage Publications, Inc., 2011.

Transit-Oriented Development Program-Portland, Oregon

Metro is a governmental agency that serves more than 1.5 million people in Clackamas, Multnomah and Washington counties. The agency's boundary encompasses Portland, Oregon and 23 other cities. Formed in 1998, Metro's Transit-Oriented Development Program seeks to implement the area's 2040 Growth Concept by investing in compact mixed-use projects near light rail stations, along frequent service bus corridors and in town centers and regional centers. Since the program's implementation, the TriMet transit system has increased the number of MAX stations from 30 to 97 and increased the number of frequent bus corridors from four to 13. With an annual budget of just \$3 million, the TOD program must be highly strategic when targeting and investing in station areas and corridors. ¹⁰

Eligibility for TOD Program investments varies by typology areas established in Metro's TOD Strategic Plan. Areas eligible for program investments are categorized as follows.

- Infill and Enhance: "Infill and enhance" transit communities are the most "TOD-ready" areas in the region outside of downtown Portland. Given the relative strength of these areas, TOD program project investments must leverage either long-term affordability or demonstrate innovative or untested approaches to achieving higher densities or enhanced sustainability.
- Catalyze and Connect: "Catalyze and connect" areas offer some physical and market foundation for supporting transit-oriented development. Projects that help catalyze future private development and increase activity levels through density and/or urban amenities are appropriate. There is also an opportunity to work with local jurisdictions to identify place-making and infrastructure needs to enhance the pedestrian orientation of the street network and provide better connectivity for all modes.
- Plan and Partner: "Plan and partner" transit communities are often not ripe for direct TOD program investments since they generally lack the built form and market environment that would attract private investment. However, given their transit accessibility, these areas are ideally suited for station area planning and development implementation technical assistance. When a public partner is working to address the market or physical obstacles to successful TOD development, the TOD program may participate in construction projects that further these goals. ¹¹

TOD project investments must meet the following threshold requirements to be eligible for funding consideration.

• Site Control (Must meet all of the following)

¹¹Transit Oriented Development Project Investment Criteria. https://www.oregonmetro.gov/



⁹ What is Metro? https://www.oregonmetro.gov/regional-leadership/what-metro

¹⁰ Transit-Oriented Development Program Strategic Plan June 2016. https://www.oregonmetro.gov/

- The applicant must be a public entity or a willing and capable developer with site control or the ability to establish site control.
- o The TOD development must be privately owned and operated.

Connection to Transit (Must meet one of the following)

- Station communities: Properties must have a functional pedestrian connection between the site and existing or planned rail stations, generally less than ½ mile.
- Frequent bus and streetcar: Properties must have a functional pedestrian connection between the site and the transit corridor, generally less than ¼ mile.
- Urban centers: Properties must be within the boundary of an urban center, have a functional pedestrian connection to the main street or commercial core and be within an eligible TOD typology place type.

• Eligible TOD typology areas (Must meet one of the following)

- Catalytic project investments and site improvements are eligible in Catalyze and Connect areas and may be considered conditionally in Plan and Partner areas.
- Catalytic Plus project investments are eligible in Infill and Enhance and Catalyze and
 Connect areas and may be considered conditionally in Plan and Partner areas.
- Housing Choice project investments may be considered conditionally in Infill and Enhance,
 Catalyze and Connect and Plan and Partner areas.

Transportation and environmental benefits (Must meet all of the following)

- The project development program will generate additional transit trips as a result of more intensive use of the site compared to what would occur without public participation in the proposed project.
- The project development program is expected to reduce regional Vehicle Miles Traveled compared to what would occur without public participation in the proposed project.
- The site plan and building design enhance the pedestrian and bicyclist experience, and makes the pedestrian realm more visually attractive, active, vibrant and safe.
- The development has the lowest reasonable parking ratio.

• Land use efficiency (Must meet all of the following)

- o The development has the highest reasonable floor area ratio.
- The development has the highest reasonable site coverage ratio.

• Financial need (Must meet all of the following)

- The project has financial burdens related to higher density, urban infill, multi-story and mixed-use development or affordability covenants.
- There are not adequate local, state or federal resources or incentives available to close the financing gap without Metro participation.



 Metro funding shall not exceed the minimum amount necessary for the project to move forward and be constructed.

• Cost effectiveness (Must meet all of the following)

- o Metro funding will leverage significant private investment.
- Cost per induced transit rider is reasonable relative to other development project investments.
- Metro's program, legal and other administrative costs are reasonably proportionate to the TOD Program development investment in the project.
- Upon stabilization, the project is expected to be financially feasible and successful in the market.

In addition to the threshold requirements, projects are evaluated according to a set of competitive investment criteria. Competitive investment criteria allow a project to distinguish itself from other qualified projects.

Increases transit ridership

- o Induces increased transit ridership from more intense development
- Incorporates features that improve the access to the transit system, such as transit information services, way-finding signage, lighting, sidewalk improvements, additional bike parking/storage or new access routes
- Integrates transportation demand management strategies, such as limited or no parking, charging for parking, car sharing, bike storage or transportation alternatives programming efforts
- Generates significant transit ridership by the creation of new employment, institutional or entertainment destinations near transit
- o Provides regulated affordable units in areas with high or rapidly increasing housing costs

• Creates new market comparables

 Creates new market comparables as a result of demonstrating market acceptance of new product types, faster absorption or higher achievable pricing

• Builds community acceptance of urban style buildings

- o Uses higher quality of design and/or materials than is typical in the area
- Demonstrates innovative green building elements or development practices that serve to improve the environmental impact of the development and enhance both the human and natural environment

• Improves availability of urban living infrastructure retail services and amenities

- Strengthens economic base to support retail services and amenities
- o Integrates urban living infrastructure amenities or retail services into the new development



• Expands base of developers with TOD expertise

- o Engages new development partners for the TOD program
- o Inspires developers to innovate in compact and mixed-use development forms

Contributes to place-making and local identity

- o Incorporates elements that help create a sense of place
- o Incorporates elements that reflect and/or build unique local identity
- o Furthers a large-scale initiative that will improve the TOD readiness of the area
- o Supports downtown revitalization
- Provides affordable housing in areas where it increases housing choices and does not exacerbate concentrations of poverty

• Removes barriers to compact and mixed-use development

- o Necessitates changes to local plans or development regulations
- Introduces product types, building materials or building systems that are relatively new to the area

Attracts investment, create jobs and strengthens local tax bases

- Attracts direct investment in development
- o Creates jobs
- Leverages contributions from other public and non-profit entities such as: local government (tax abatement, tax increment financing, reduced SDCs or support for entitlement changes); state/federal government (low-income housing tax credits, public bond financing, grants); or private foundations
- Generates additional property tax revenues¹²

Since 2000, the program has seen significant successes with over 40 completed projects. ¹³ In fiscal year 2017-18 alone, the region had 948,989 travel-trips made through transit rather than cars as a result of TOD program-supported projects. To date (FY 2017-18), the program has supported the construction of 3,600 residential units. Of these, 781 units are set aside for households earning less than the area median income and over 850 income-restricted units are planned or under construction. Mixed-use TOD projects, through FY 2017-18, include 194,780 square feet of retail and 327,433 square feet of office and other commercial space. Finally, by promoting compact development, completed TOD projects required only 59 acres of land compared to 590 acres that would have been needed to develop these projects in areas without transit. ¹⁴ Based on these successes, there are currently 11 more TOD projects under construction in the region.

 $^{^{13}}$ 2018 Annual Report, July 2017 - June 2018 Transit-Oriented Development Program. https://www.oregonmetro.gov/ 14 lbid.



¹² Ibid.

Rosslyn-Ballston Corridor-Arlington, Virginia

The Rosslyn-Ballston corridor illustrates smart growth planning and the type of transit-oriented development that concentrates high-density, mixed-use development along a major transit corridor, while preserving and enhancing existing residential neighborhoods. Planning for the Rosslyn-Ballston Corridor involved a 12-year intensive effort by citizens, staff and Arlington County officials.

When a new regional rail system was being planned during the 1960s, county officials and planners envisioned concentrating high-density development along the path of the new rail system. However, designs for the new rail system outlined a course running parallel to Interstate 66, which would bypass established commercial areas like Ballston. County officials successfully lobbied for an underground line with stations in Rosslyn, Clarendon, Courthouse, Virginia Square and Ballston.

Following extensive study and community input, County officials decided on a plan that:

- Concentrates the highest-density uses within walking distance of Metro stations
- Tapers densities, heights and uses down to surrounding single-family residential neighborhoods
- Provides for a mix of office, hotel, retail and residential development.

This is referred to as a "bulls-eye approach" and it targets the tallest and most dense development within one-quarter mile of each Metro station. The county's General Land Use Plan incorporates this approach and defines the appropriate land use for each area.

Once an overall plan was agreed upon for the Rosslyn-Ballston Corridor, sector plans were created to guide future development in each of the five Metro Station Areas. These plans establish goals and guidelines for desired public improvements, urban design, retail locations, infrastructure and open space.

This also marked the beginning of Arlington's urban village concept. Each sector plan laid out a vision that would retain and enhance the unique characteristics of the neighborhood.

- Rosslyn: a first-class office and business center
- Courthouse: Arlington's government center
- Clarendon: an "urban village"
- Virginia Square: residential, cultural and educational facilities
- Ballston: a new downtown

Between 1990 and 2000, population rose by nearly 107 percent within the quarter-mile radius of the Rosslyn-Ballston metro stations, accounting for 28 percent of the County's overall growth. Today, the results shine in seven mixed-use, walkable and bicycle-friendly Metro transit villages. Two Metro corridors



accommodate 36 million square feet of office space, 6 million square feet of retail space and over 47,000 residential units. ¹⁵

Transit-Oriented Development Ordinance-Sacramento, California

The Transit-Oriented Development Ordinance was unanimously approved by the City of Sacramento City Council on December 11, 2018. The Ordinance became effective on January 10, 2019. The purpose of the ordinance is to incentivize transit-supportive uses near light rail stations and to preserve transit areas for appropriate development opportunities.

The *Transit-Oriented Development Ordinance* is the City's proposed next step in ensuring that the investments made in the regional transit systems are continually supported and utilized to their full extent. The ordinance would achieve the following anticipated community benefits:

- Reduce greenhouse gas emissions and create healthier communities through increased transit ridership
- Increase pedestrian access around businesses
- Provide long-term return on investments for landowners
- Provide easy access to goods and services for seniors and other persons with access and functional needs who are unable to drive
- Create more vibrant transit centers and corridors with a mix of pedestrian friendly uses

For uses that increase transit ridership, such as high-density housing and job-intensive uses, the City is proposing the following incentives:

- Building review incentives for multi-unit housing projects with 25 or more units
- Reduced parking requirements near transit stations:
 - o ¼ mile of a light rail station: no minimum required off-street vehicle parking
 - o ½ mile of a light rail station: required off-street vehicle parking reduced by 50 percent

The following uses would be prohibited within a ¼ mile of an existing or proposed light rail station:

- Auto-sales, storage, rental (outdoor)
- Auto-service, repair
- Drive-through restaurant
- Gas station (large)

¹⁵ Projects & Planning, Arlington County, Virginia. https://projects.arlingtonva.us/planning/smart-growth/rosslynballston-corridor/



- Gas station (small)
- Mini storage; locker building
- Warehouse; distribution center

The following uses would require a conditional-use permit within a ½ mile of an existing or proposed light rail station platform:

- Auto-sales, storage, rental
- Auto service, repair
- Cannabis cultivation
- Cannabis manufacturing, nonvolatile
- Drive-through restaurant
- Equipment—rental, sales yard
- Gas station (large)
- Gas station (small)
- Manufacturing, service and repair
- Mini storage; locker building
- Plant nursery
- Warehouse; distribution center
- Wholesale store

Sacramento has a number of transit area plans for allow for TOD development, including: $65 \, \text{thStreet/University Transit Village}$, South $65 \, \text{th Street Area Plan}$, South Sacramento/Meadowview Plan Update, R Street Plan and Swanston Station Area Plan. $16 \, \text{th}$

West Corridor-Denver, Colorado

The West Corridor is the first of the FasTracks-funded transit lines and runs westward from downtown Denver through the City of Lakewood, terminating at the Jefferson County Government Center in the City of Golden. The line connects the cities of Denver, Lakewood and Golden as well as portions of unincorporated Jefferson County.¹⁷

 $^{^{17}}$ Connecting the West Corridor Communities: An Implementation Strategy for TOD along the Denver Region's West Corridor. Center for Transit-Oriented Development.



¹⁶ Transit-Oriented Development Ordinance. City of Sacramento. https://www.cityofsacramento.org/Community-Development/Planning/Major-Projects/TOD-Ordinance

The Corridor is expected to be developed over the next 30 to 50 years. Over 20,000 new residential units are planned along the corridor, with a substantial portion along Colfax Avenue and in the redevelopment of public housing near the 10th and Osage, Federal/Decatur and Perry stations. Station area plans for the West Corridor contain over ten million square feet of new office space and three million square feet of retail space. The Auraria West, Oak and Federal Center station areas are forecast to have the most office space. Along with the Wadsworth station, they are also the places forecast to receive the most new retail. Three of the West Corridor stations are home to institutions of higher education. The Auraria Campus is the largest educational institution in the State of Colorado, providing classroom space to three schools: University of Colorado Denver, Metropolitan State College and the Community College of Denver. Approximately 37,000 students attend courses at the Auraria Campus each year and current projections expect this number to grow to 50,000 by 2030.

There are also a number of elementary, middle and high schools along the West Corridor. Improved transit access will make the neighborhoods surrounding these schools more attractive to families with school-age children and also provide parents with more options to get to work if they choose to live in these neighborhoods. The station area plans also differ in the amount of new infrastructure required to support the vision laid out in the plans. Significant pedestrian improvements are called for in nearly every station area, as are extensions and/or improvements to the bicycle network. New streets are major components of the plans for a few of the stations along the West Corridor, including the Federal/Decatur, Sheridan and Federal Center station areas. The City and County of Denver is using general obligation bond money to make improvements at the 10th & Osage and Federal/ Decatur stations. Lakewood has conducted infrastructure master plans at both the Wadsworth and Oak stations, which identify the improvements and investments needed to support TOD at both station areas. Lakewood is also spending money on station enhancements at both Wadsworth (\$2.6 million) and Oak (\$200,000) to improve connectivity. Both include investments in new sidewalks and bicycle facilities near stations, including bike racks and lockers at most stations as well.¹⁸

A review by the Center for Transit-Oriented Development of the Corridor provided the following implementation strategies for the TOD to be implemented at both the corridor-wide and station levels.

Create a permanent West Corridor Collaborative: A formalized partnership will ensure regular
meetings and a commitment to the TOD implementation strategies. In addition, new partners
should be engaged in the implementation activities of the West Corridor and the business
improvement districts ("BID"s) to embrace the vision and actions to implement TOD in the corridor.

¹⁸ Ibid.



- There should also be a public process on corridor planning and information sharing that includes cohosted corridor-wide workshops.
- Develop a marketing and branding plan to market and promote the West Corridor: A branding
 and marketing process would help create an identity for the West Corridor in order to generate
 interest among potential retail, commercial and residential developers, and to attract the public to
 the West Corridor as a place to live, work and play. In addition, West Corridor Working Group
 ("WCWG") participants should promote the WCWG process and technical work through
 attendance and presentations conferences, speaking engagements and peer exchanges.
- Complete the "last mile" of critical bicycle and pedestrian connections: The WCWG and other partners should collectively work on planning and funding comprehensive bike and pedestrian connections in the corridor. They should jointly explore funding opportunities to complete the bicycle system and pedestrian connections.
- Develop an affordable housing strategy for both preservation and new production: Work with WCWG partners and others involved with affordable housing in the region to develop an affordable housing plan. The plan should focus on the transition of some existing housing stock in all station areas from private market ownership to another structure that would permanently preserve affordable housing; identify targeted opportunities for additional new affordable housing; evaluate possible strategies for expanding the Denver TOD Fund to the entire West Corridor; and evaluate various HUD programs to demonstrate ways that they could be modified to better support affordable housing near transit by adding proximity to transit in HUD's evaluation criteria.
- Continue to support infrastructure improvements at Oak, Garrison, Wadsworth and Lamar:
 Facilitate TOD supportive infrastructure, including bike and pedestrian connections. Funding for new infrastructure, including utilities, should be explored through the city's capital budget, special districts and future HUD/DOT community challenge and TIGER II grants.
- Collaborate on an implementation plan at Sheridan: Given the significant infrastructure and transit changes at Sheridan, the Denver and Lakewood planning, parks and public works staff at the cities should collaborate to develop an integrated plan for TOD implementation at the station.
- Develop some small-scale strategies for the Knox and Perry stations: Denver should support the
 redevelopment of existing affordable housing by preserving those developments due to expire in
 the coming years and by acquiring land for additional affordable, senior or student housing. The city
 should also look at improvements to the pedestrian and bicycle network and leverage the activities
 planned for this area as part of the Denver's Community Challenge/TIGER II grant.
- Emphasize Colfax as the retail corridor in both cities: Continue to focus on Colfax as the retail corridor in both cities with strong physical and visual connections from the West Corridor stations to Colfax. Examine a multijurisdictional BID and explore the creation of a linear urban renewal district for both jurisdictions.



Addison Circle-Addison, Texas

Addison Circle, an 80-acre mixed-use project, is the result of a public/private partnership between a developer, a landowner and the town of Addison. Addison Circle will ultimately house some 3,000-plus dwelling units intermixed with neighborhood retail, parks and civic space as well as up to four million square feet of offices and commercial uses. At about 60 dwelling units per acre (net), the primarily rental project is more than twice as dense as the typical north Dallas garden apartment project.

Relevant Guiding Principles for North Texas 2050, the plan guiding TODs in the region include:

- Development Diversity
- Efficient Growth
- Pedestrian Design
- Housing Choice
- Activity Centers
- Environmental Stewardship
- Quality Places
- Efficient Mobility Options
- Educational Opportunity
- Healthy Communities
- Implementation

Addison Circle is planned, designed and built as the center of the Town of Addison. Therefore, the design outcome was a true manifestation of a unique partnership between the town and the private sector to accommodate the vision of all parties involved. The design of Addison Circle provides a diverse set of uses and was designed with open and green space infrastructure that promotes a pedestrian-friendly live, work and play environment along with civic amenities and services. The plan of Addison Circle concentrates on four primary sub-districts:

- **Tollway Fronting Zone**: Incorporating corporate and large tenant office, hotels, service retail/restaurants, health/fitness, business services, entry plazas, etc.
- Addison Town Center: Incorporating a public events corridor, smaller tenant office, urban residential units, street level shops and cafes, civic and cultural facilities, public events corridor, conference center, civic spaces, etc.
- DART Station Area: Incorporating transit facilities, Old Addison, service retail, etc.
- Urban Residential Neighborhoods: Incorporating housing, home office, support services, pocket parks, etc.



Sustainable strategies for the project include:

- Multimodal live-work-play development creating a higher density more self-sufficient urban environment
- Private utility systems allowed throughout the public rights-of-way for higher efficiency
- Public sector-amended building codes and new pedestrian-friendly street standards
- Private sector agreed-upon use of higher quality exterior materials and landscaping
- Private sector agreed-upon structured parking instead of surface parking
- Private sector design and construction that stands the test of time¹⁹

###

¹⁹ Addison Circle Addison, Texas Case Study. Vision North Texas.



Appendix B



RTC Affordable Housing

Date July 3, 2019

To Andy Durling, Wood Rodgers

Stacie Huggins, Wood Rodgers

From Chris Zahas, Leland Consulting Group

Subject Site Selection Criteria

The purpose of this memo is to provide additional screening input on the draft transit-oriented development (TOD) sites in order to support the RTC's process of narrowing the list to three sites that will be subject to more detailed planning and analysis. While all of the selected sites meet minimum TOD criteria such as proximity to transit service and are vacant or underutilized, additional criteria can help understand the quality and benefits of potential TOD so as to differentiate the sites and identify those with greater potential to provide public benefits.

Using a matrix, we have scored the eight sites against the following criteria:

- Catalytic potential: The public investment in a TOD can be better leveraged when the initial TOD investment has the potential to spur additional TOD development in the immediate vicinity. This factor looks at the surrounding context and notes whether other redevelopment opportunities exist that could be spurred by the initial TOD project.
- Access to services: Affordable TOD benefits residents not only by providing access to high-quality
 transit, but also by being in proximity to essential amenities and services such as such as schools,
 grocery stores, hospitals and medical clinics, places of worship, community centers, libraries, and other
 buildings. The walkable accessibility to such uses enables a TOD to truly reduce auto dependence for
 its residents.
- Walkscore and Bikescore: Walkscore is an online tool that rates a location by the density of services and amenities around it, including groceries, restaurants, parks, and schools. Bikescore, available from the same web site, similarly ranks the bikeability of a location based on the presence of bike lanes, hills, destinations, and connectivity. For both criteria, scores above 70 represent areas where many daily activities can be accomplished without a car, enhancing the viability of a TOD to reduce auto dependence. Since overall, Reno is relatively auto-dependent, it is more useful to evaluate the scores of one site relative to another rather than focusing on the raw score itself.

EVALUATION

The matrix below evaluates each of the eight sites against the above criteria. The analysis is inherently qualitative, so the findings are summarized in bullets, with a simple high, medium, low scoring for each factor. The sites are organized roughly in order from south to north.

| Site | Catalytic Potential | Access to Services | Walkscore & Bikescore |
|--------------|--|--|--|
| 1. Meadowood | Significant potential for further infill on the mall's surface parking lots as well as adjacent vacant lots Rating: HIGH | Many services and amenities within walking distance of the site, including groceries | Walkscore: 68Bikescore: 75Rating: HIGH |

| Site | Catalytic Potential | Access to Services | Walkscore & Bikescore |
|--|---|---|--|
| | | Very close to Jamaica Park, Pine Middle School, and Smithridge Elementary Many amenities/services require crossing McCarran and/or So. Virginia St. Rating: HIGH | |
| 2. So. Virginia St. near Peppermill | Significant amount of underutilized properties in the vicinity, on east side of Virginia. Site is irregularly shaped, complicating efficient reuse. Rating: MEDIUM | Significant retail nearby, although nearest grocery store is just over a half-mile away. Potential for additional services when Park Lane project is complete. Rating: HIGH | Walkscore: 73Bikescore: 64Rating: HIGH |
| 3. Kuenzi St. | Several vacant parcels and parking lots in the vicinity that could be redeveloped over time. Proximity to river is an asset. Proximity to waste transfer station across the river is a deterrent. Rating: MEDIUM | Mostly an industrial area with few services besides healthcare. Rating: LOW | Walkscore: 62Bikescore: 80Rating: MEDIUM |
| 4. 15 th & Prater | Very limited; almost all properties in the vicinity are fully developed. Rating: LOW | Near downtown Sparks and its amenities. Very near Sparks High School Some smaller groceries nearby, but no full-service supermarkets within a mile. Rating: MEDIUM | Walkscore: 84Bikescore: 70Rating: HIGH |
| 5. Clear Acre / Tripp | Large site with several vacant and underutilized sites in proximity. Rating: MEDIUM | Few services in proximity. Near Hug High School Nearest supermarket, Winco, is on other side of freeway, requiring circuitous routing to get there. Rating: LOW | Walkscore: 51Bikescore: 51Rating: LOW |
| 6. Sutro / Selmi | Few, if any, other opportunity sites in immediate proximity. Rating: LOW | Close to Hug High School Small shopping center due east, but no groceries Rating: LOW | Walkscore: 46Bikescore: 45Rating: LOW |
| 7. Clear Acre / RTC site | Significant vacant land all around, although slopes and access might limit potential. Rating: MEDIUM | No services in immediate vicinity. Requires difficult crossings of both US 295 and McCarran to access any services. Rating: LOW | Walkscore: 52Bikescore: 43Rating: LOW |

Appendix C



RTC Affordable Housing

Date July 3, 2019

To Andy Durling, Wood Rodgers

Stacie Huggins, Wood Rodgers

From Chris Zahas, Leland Consulting Group

Subject Site Selection Criteria

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| 7. Clear Acre / RTC site | Significant vacant land all around, although slopes and access might limit potential. Rating: MEDIUM | No services in immediate vicinity. Requires difficult crossings of both US 295 and McCarran to access any services. Rating: LOW | Walkscore: 52Bikescore: 43Rating: LOW |



RTC Affordable Housing

Date July 12, 2019

To Andy Durling, Wood Rodgers

Stacie Huggins, Wood Rodgers

From Chris Zahas, Leland Consulting Group

Subject Site Evaluation Addendum

This memo provides an evaluation of three additional TOD sites as part of the RTC Affordable Housing Study. These three additional sites are all owned by RTC and are along Airway Drive, near the Reno Airport. Since they are owned by RTC, the pathway to development could be fast, since RTC could partner directly with or sell to a housing developer.

The criteria used to evaluate these sites are the same as for the previous sites:

- **Locational criteria:** A short summary of the pertinent facts about the site, including size, zoning, and other factors.
- Catalytic potential: The public investment in a TOD can be better leveraged when the initial TOD investment has the potential to spur additional TOD development in the immediate vicinity. This factor looks at the surrounding context and notes whether other redevelopment opportunities exist that could be spurred by the initial TOD project.
- Access to services: Affordable TOD benefits residents not only by providing access to high-quality
 transit, but also by being in proximity to essential amenities and services such as such as schools,
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EVALUATION

The evaluation findings are summarized in bullets, with a simple high, medium, low scoring for each factor.

| Site | Locational Criteria | Catalytic Potential | Access to Services | Walkscore & Bikescore |
|-------------------------------|---|---|--|---|
| 8. Airway Dr. and Neil Rd. | ~0.94 acres Undeveloped Zoned Mixed Use Small size and split parcel with sharp angles will limit redevelopment potential. In QCT Publicly owned Joint Development Opportunity Access Challenges Southern parcel (triangle) does not have vehicle access | Few developable parcels in the vicinity. Greater redevelopment potential would require partnership with or acquisition of adjacent parcels, possibly as a rehab project Rating: LOW | Close to Miguel Ribera Park and Neil Road Recreation Center Less than one mile to several schools Small mini mart across the street. More substantial services nearby but requires difficult pedestrian crossing under 395. Rating: MEDIUM | Walkscore: 49 Bikescore: 66 Rating: LOW |
| 9. Cathy Ave. / Rewana Way | ~1.91 acres Undeveloped Zoned Mixed Use In QCT Publicly owned Joint Development Opportunity | Significant amount of underutilized properties in the vicinity Larger redevelopment potential possible with partnership or acquisition of adjacent parcels. Rating: MEDIUM | Close to Miguel Ribera Park and Neil Road Recreation Center Less than one mile to several schools Few retail services within one mile. Rating: MEDIUM | Walkscore: 45Bikescore: 69Rating: LOW |
| 10. Donald St. | ~2.11 ac (combined with privately owned parcel) Undeveloped Zoned Mixed Use In QCT Publicly & Private ownership Access challenges unless adjacent private parcel is acquired | Few vacant parcels nearby, mostly fully developed. Very close to runway. Rating: LOW | Mostly an industrial area with few services Close to small strip center with limited services, more substantial retail approximately one mile away. Close to several schools Rating: MEDIUM | Walkscore: 48 Bikescore: 65 Rating: LOW |

Appendix D



RTC Affordable Housing

Market and Feasibility Analysis

PREPARED BY



FEBRUARY 2020

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Introduction

The Reno region is experiencing a housing shortage that is creating an affordability crisis for its residents. Leland Consulting Group (LCG) and Wood Rodgers were engaged by RTC to examine the unique opportunity to provide affordable and mixed income housing in the context of existing and expanding transit service throughout the region.

Three sites were chosen to evaluate: Clear Acre Lane, S. Virginia Street near Peppermill, and Neil Road at Meadowood. The report assesses market and economic conditions at each site to arrive at potential development programs that can guide more specific site feasibility studies.

Demographic and Multifamily Market Context

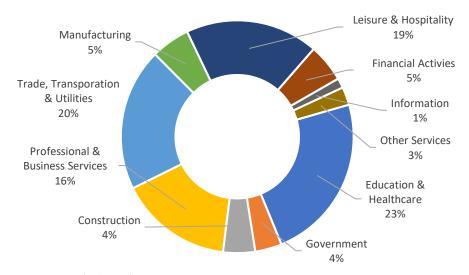
Reno is Growing

Economic Trends

Reno is demonstrating strong employment growth trends.

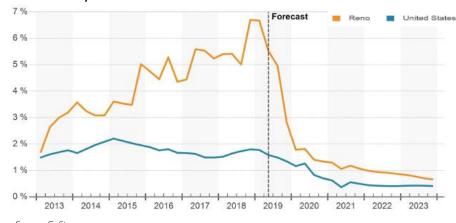
- The economy is diversifying.
 - The Reno metro area has attracted growth in the tech industry, with the nearby opening of Tesla's Gigafactory, and Apple's new 27,000 s.f. warehouse.
 - Additionally, Reno is a growing distribution hub —between 2012 to 2017 trade made up 18% of total new employment growth.
 - No single sector makes up more than 25 percent of employment.
- Low unemployment rate of 3.4%.
- Since 2015 annual job growth in Reno has surpassed 4%, while the national average has remained less than 2%.
- Future job growth is forecast to slow. Forecasts
 use conservative assumptions due to national
 trends such as the length of the current economic
 cycle, lackluster business investment, fluctuating
 consumer confidence and slowing global
 economic growth.

City of Reno, Non-farm Employment, 2017



Source: LEHD, Leland Consulting Group

Reno Metro, Year-Over-Year Job Growth



Source: CoStar

Reno's Strong Employment

Fastest Growing Job Sectors

Between 2012 and 2017, annual job growth averaged 2.8%, and 20,036 new jobs were created.

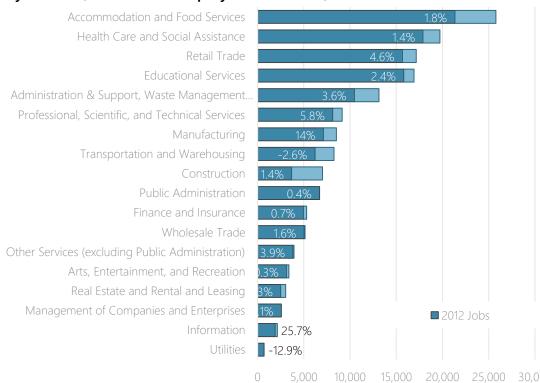
- Construction grew by 1.4% annually, or by a total of 3,337 jobs.
- Transportation & Warehousing grew by
 5.8% annually, or by a total of 2,044 jobs.
- Administration grew by 4.6% annually, or by a total of 2,650 jobs.

In 2018, the labor force grew by 3.5%

Strong job growth increased overall earnings and participation by workers over 55 years old.

- Workforce participation by individuals 55 and older has increased from 19% to 24% of total workers
- Workers making over \$40,000 increased by 7% between 2007 and 2017.

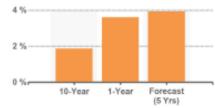
City of Reno, Non-Farm Employment Growth, 2012 to 2017



Source: LEHD, Leland Consulting Group

Labor Force Growth 4 % 10-Year 1-Year Forecast (5 Year)

Income Growth



RTC Affordable Housing | DRAFT

Source: CoStar

Demographic Drivers & Generational Shifts

Housing Preference Transitions

Baby boomers and Millennials are the primary demand drivers for walkable, urban locations that offer a range of amenities

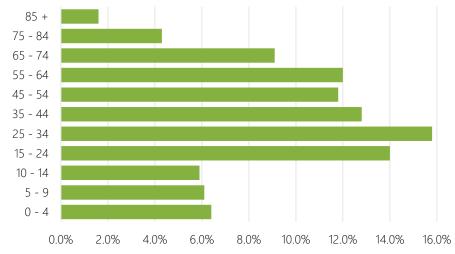
- Downsizing Baby Boomers often favor renting due to
 - Less maintenance and more flexibility
 - Proximity to shopping and dinning
- As older Millennials start to have children, growth in suburbs and secondary markets may increase due to the public schools, lower cost, and more space
 - As of 2019 Q2 only 36.4 percent of Millennials own, but 60 percent say they plan to own
 - Generational trends associated with the next emerging generation – Gen Z (ages 21 and below) – are relatively unknown

Barriers to Housing Ownership

Homeownership costs have increased faster than incomes. Additional financial barriers include:

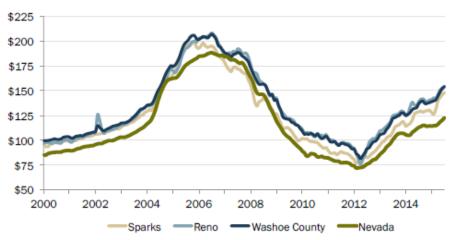
- Rising student debts
- Access to credit
- Large down payments

City of Reno, Age Distribution, 2019



Source: American Community Survey, ESRI, Leland Consulting Group

Single Family Housing Median Sale Price per Square Foot, Jan 2000 – June 2015



Source: Truckee Meadows Housing Study, Appendix B

Source: American Community Survey, CBRE Live-Work-Play, Urban Land Institute RTC Affordable Housing | DRAFT

Income Growth & Housing Demand

Projected Income Growth

As the population grows over the next five years, median incomes are expected to increase as a greater proportion of the population makes more than \$75,000 annually.

- 2019 Median Household Income is \$58,220.
- 2024 Median Household Income is projected to be \$66,744, which includes the effects of inflation and real wage growth.

Housing Demand

Between 2019 and 2024 the total population is expected to grow 1.52% annually. The percentage of which who will be renting is expected to remain steady, around 46%.

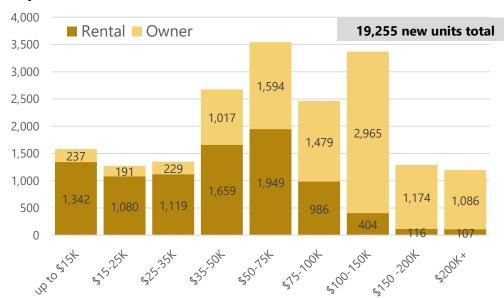
- Strong in-migration has increased housing demand.
- An estimated total of 19,255 new dwelling units will be needed.
- Of these, approximately 8,763 rental units will be needed.

City of Reno, Household Income Distribution



Source: ESRI, Leland Consulting Group

City of Reno, Est. Residential Demand Growth over the Next Decade



Source: ESRI, Leland Consulting Group

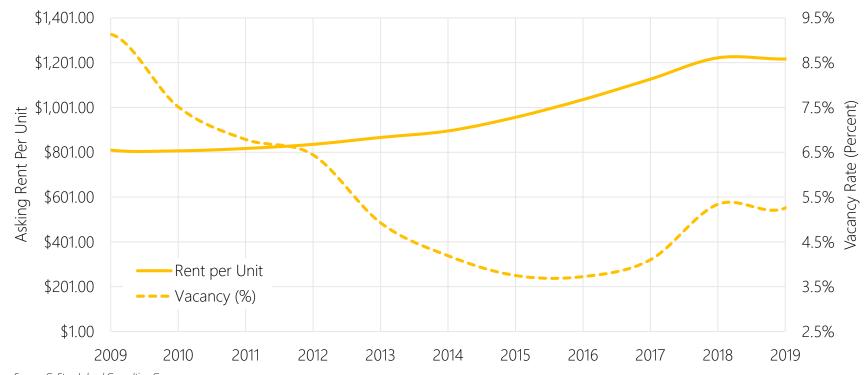
Rent Growth per Unit and Vacancy (%)

Reno Market Area

The metro's record low vacancies allowed landlords to put through outsized rent hikes for many years, but in 2019 Q2, gains fell below the national average for the first time since 2015.

- In 2019 Q2, annual rent growth is 1.1%. From 2016-18, annual gains averaged between 8% and 9%, including an all-time peak of almost 13% in 2017.
- Average asking rent per unit is \$1,240 per month.
- The average vacancy rate is below the national average at 4.4%.

Reno Market Area, Rent Growth and Vacancy, 2009 - YTD 2019

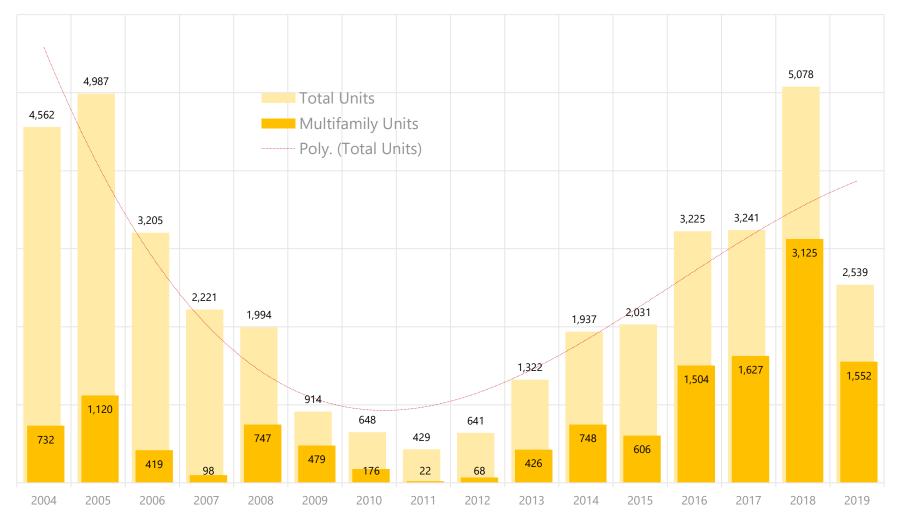


Source: CoStar, Leland Consulting Group

Housing Permits

Multifamily permitting through July 2019 is on track to meet or surpass permitting in 2018. Since 2010, there have been over 7,800 single family homes permitted and over 7,200 multifamily units permitted.

Reno and Sparks, Building Permit Trends

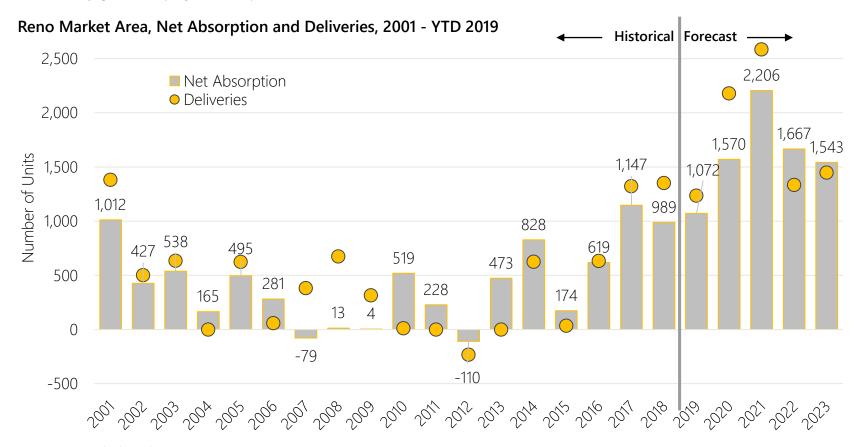


Source: SOCDS, Leland Consulting Group

Multifamily Net Absorption & Net Deliveries Reno Market Area

Supply growth was late to come this cycle, with only 661 units delivered between 2010 to 2015. Despite the supply-driven pressure post 2016, vacancies continue to fall well below the national average.

- Just over 3,000 units have been delivered since 2017, putting pressure on vacancy and slowing rent growth.
- There are approximately 5,200 units under construction; although, the 1,690-unit Park Lane is only in its first phase.
- Inventory gains are projected to peak in 2021.



Source: CoStar, Leland Consulting Group

Notable Projects







Image Source: Inova Apartments at the Summit



Image Source: Waterfront Marina Living

PARK LANE

The 46-acre site broke ground in Fall 2019

- Central Reno, future mixed-use area
- The development will be a mix of wrap and podium apartments with structured parking and surface parking.
- There will be a total of 1,690 units. The first building, Avant, will have 5—stories, and 227 units made up of a mix of studios, one, two, and three-bedroom units
- In total, this development will include 8 residential buildings.

INOVA APARTMENTS AT THE SUMMIT

Completed in December 2019

- South Reno, suburban location near strip retail
- Walk-up, garden style apartment with surface parking
- The building is significantly outperforming other properties in the submarket and all other new construction in Reno.
- The 584-unit property is a mix of one, two, and three-bedroom.
- Rents start at \$1,300 per month.

WATERFRONT AT THE MARINA

Completed in April 2019

- Sparks, suburban near outlet mall
- Wrap apartment with structured parking
- The building is serviced by two elevators.
- The 209-unit property is a mix of one and two-bedroom units.
- The average asking rent at the time of delivery outpaced the metro average by about 45%.

Market Summary

Economic Trends

- Strong regional population growth increases housing demand.
 - The population is expected to grow at a rate of 1.52% annually, or by 20,415 people over the next 5 years.
 - And over the next 20 years, as many as 50,000 new housing units are projected to be needed.
 - The aging Baby Boomers will increase the share of residents over the age of 60 from 20% to 24% of the population.
- Strong employment growth exceeds the national average.
 - Unemployment averages 3.4%.
 - Construction, Trade and Tech have been the fastest growing sectors.
- 2019 Median Household Income is \$58,220.
 - Since 2010, the average annual income growth rate is 2.0%, whereas average rent growth was 3.4% and the median sales price for homes increased an average of 8.9% annually.
 - Both housing costs and rents have grown faster than incomes.
 - For the Truckee Meadows region, it is estimated that a household would need to have 2.1 full-time minimum-wage jobs to be able to afford a modest two-bedroom apartment (at fair market rent and including utilities) without experiencing modest cost burden.

Market Summary

Multifamily Market Trends

- There are strong real estate conditions for all types of housing.
- Renters make up 46% of households.
- Strong rental demand has led to low vacancy (4.4%) and some of the highest rent growth in the nation.
 - In Q2 2019, average asking rent per unit was \$1,240 per month.
 - Between 2015-2018 rent growth surpassed 8%; due to supply-driven vacancy, rent growth slowed in 2019.
 - High rent growth and low vacancy rates tend to increase feasibility for new development, especially for denser construction types.
- According to U.S. Census data, over 1/3 of the households in the Reno region are cost-burdened.
- Seniors and the working poor are two of the region's most vulnerable populations affected by rising rents and housing costs.
 - There is a large growing population of seniors and Baby Boomers who are living on a fixed-income in Washoe County.
 - There is also a large base of low-wage workers, particularly in the region's many restaurants and casinos, who are supporting the region's service-driven economy.
 - Without intervention, the risk of displacement will continue to grow for these groups.
- Since 2010, the number of households in Reno grew by 13,000, while new construction lagged with approximately 3,800 multifamily units built (7,200 permitted) and 7,800 single family homes permitted.
- There is ample demand for a range of housing types; improving conditions for podium and wrap construction types; and increasing need for affordable housing to prevent displacement.

Financial Analysis Methodology

Financial Analysis Methodology

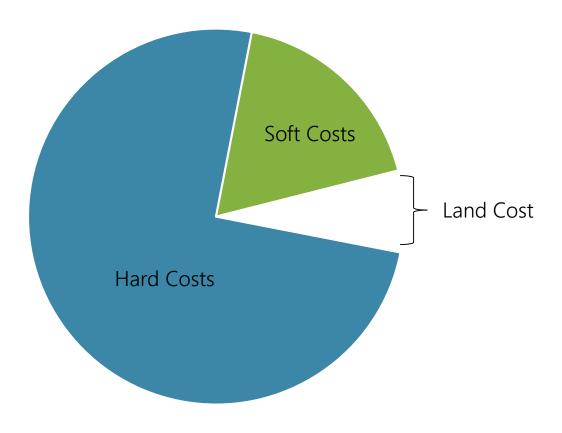
For each site, a series of pro forma financial analyses were prepared to test whether the proposed program is likely to be feasible under today's market conditions. Since many variables impact project feasibility, several scenarios were evaluated for each site. These scenarios evaluated feasibility with different assumptions for the following variables:

- **Program**: Based on the market analysis, a high and a low range of total housing units was assumed for each site.
- Parking: Because of the high cost of building parking structures, parking ratios (the number of provided parking spaces per housing unit) can significantly impact project feasibility. The scenarios range from a low of 1.0 spaces per unit to a high of 1.25 spaces per unit.
- Rent premium: A principle of the market analysis is that newly-constructed housing units will outperform the local market average (rents and sales prices) since tenants are likely to pay more for new and modern units. The financial analysis assumes that new units will perform 3% above the top of the market at a minimum, with an "aggressive" scenario assuming a 25% premium over market averages. Since each site is in an area that is dominated by older apartments and where there has been little new construction, it is highly likely that a new building will significantly outperform the current market average. While this rent premium is likely to be achievable in historically underserved markets, developers may still face challenges in getting lenders to underwrite projects without more recent market evidence.

Residual Land Value

The financial analysis analyzes feasibility by determining the "residual land value" for each scenario. Residual land value represents the price that a developer could afford to pay for the land after solving for all other inputs including:

- Hard costs: Construction and other development costs
- Soft costs: Architecture and engineering; project management; permits and fees; insurance; construction loan interest; contingency.
- Profit: Generated from the net operating income (NOI) and the "cap" rate, which determines the project value and is based on industry expectations for each land use.



Development Feasibility Inputs

A number of different inputs—shown at right—are required in order to test the financial feasibility of the various development alternatives.

Program, costs, operating revenue and expenses are based on specific site recommendations. Variables in return on investment and time are held constant.

| Program | Site size Square feet of retail/restaurant, office, or other commercial uses Number of housing units Parking: Number and type of spaces Building height, floors, and other design attributes | | |
|---|--|--|--|
| Timing Based on market research and expected project deliveries. | Construction startCertificate of occupancyLease-up period | | |
| Costs Based on market research and cost estimates from RSMeans and industry experts. | Land or building purchase Site preparation, e.g., demolition, grading Hard costs Soft costs | | |
| Operating Revenue and Expenses Based on market research and data from industry experts. | Rent revenue from retail, office, residential, parking Vacancy Operating expenses for management, utilities, taxes, insurance, maintenance, etc. Net operating income (NOI: revenue less expenses) | | |
| Return on Investment Data from industry experts. | Comparison of NOI to total project cost Project cap rates 5.5% | | |

Development Alternatives

For each site, eight alternatives were modeled.

Odd numbered alternatives have the low range of the projected units, the even numbered alternatives have the high range of the projected units. Alternatives 3 and 4 assume a 25 percent rent premium, 5 and 6 assume a parking reduction, and 7 and 8 assume both a rent premium and a parking reduction. The reduced parking ratio drops the space per unit from 1.25/unit to 1.0/unit.

| Alternative | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-----------------------|-----------|-----------|-----------|-----------|----------|----------|----------|----------|
| Number of Total Units | Low | High | Low | High | Low | High | Low | High |
| Parking Ratio | 1.25/unit | 1.25/unit | 1.25/unit | 1.25/unit | 1.0/unit | 1.0/unit | 1.0/unit | 1.0/unit |
| Rent Premium | 0% | 0% | 25% | 25% | 0% | 0% | 25% | 25% |

Development Typologies

Based on the market analysis, a range of housing types was considered for each site, as summarized on the following pages. Also as indicated on each site, some ancillary commercial uses were also included in the recommended programs.

Housing Types



Image Source: Holcomb Place



mage Source: Sierra Vista Apartments



Image Source: The Daley at Shady Grove



Image Source: 30Sixty L

TOWNHOMES

- Includes single family attached and other types of low density attached product.
- Usually less than 10 units per building.
- Rental or ownership
- Construction: wood frame
- Height: 2 to 3 stories
- Parking: surface, tuck under (integrated in each unit), or carports
- Density: 10-16 units/acre

GARDEN APARTMENTS WRAP APARTMENTS

- Market-rate or affordable low-rise walk-up structures
- Can be oriented to seniors
- Rental or ownership (condominiums)
- Construction: wood frame
- Height: 3 to 4 stories
- Parking: surface, tuck under or carports. Tuck under parking is also referred to as urban garden apartments
- Density: 20-30 units/acre with surface parking; 30 to 50 units/acre with tuck under parking

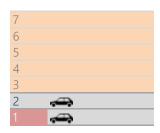


- Mostly located along major arterials outside downtown
- Rental or ownership (condominiums)
- Construction: wood frame over concrete
- Height: 4 to 7 stories
- Parking: structured
- Density: 40-60 units/acre

5 4 3 2

PODIUM APARTMENTS

- Mostly located along major arterials outside downtown
- Rental or ownership (condominiums)
- Construction: wood frame over concrete
- Height: 4 to 7 stories
- Parking: structured
- Density: 100 160 units/acre





Retail and Services Types



Image Source: Kensington Apartments

FREE STANDING

- Approx. 0.25 0.5 s.f. per acre
- Retail, dining, and services
- Provide convenience services for adjacent residents and drive-by traffic
- Horizontal mixed-use
- · Retail frontage on main road
- Convenience store
- Coffee shop
- Small restaurant or two



Image Source: Ankron Moisan

GROUND FLOOR

- Approx. 0.65+ s.f. per acre
- Retail, dining, and services
- Provide convenience services for population within walking distance
- Convenience store
- Coffee shop
- Small restaurant or two

Site Feasibility: Clear Acre

Clear Acre Site: Site Attributes

The Clear Arce site is located in northern Reno on the northwestern corner of Clear Acre Lane and 395. Although the site is approximately 32 acres, topography limits site to 23 acres of developable area.

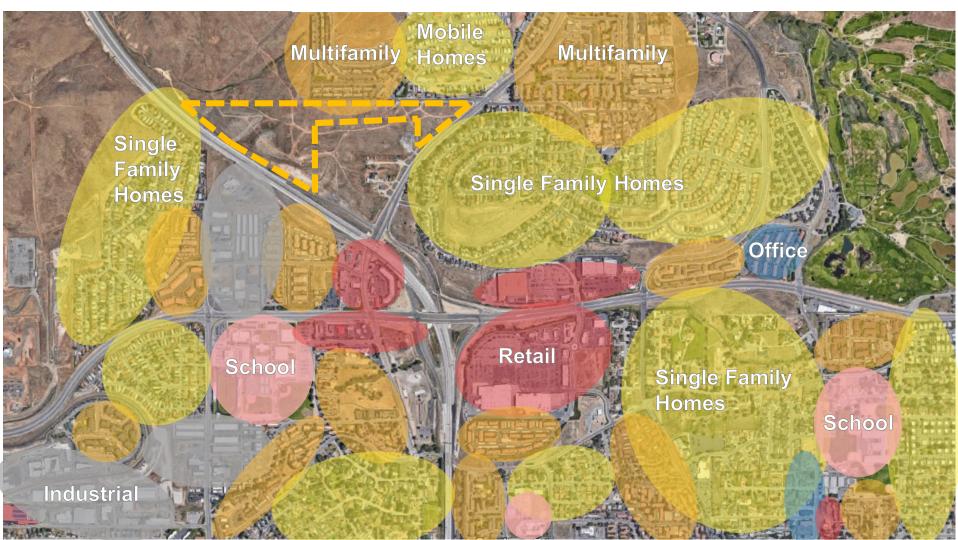
- Total of ~32.24 acres
- ~23.3 acres developable
- Undeveloped
- Zoned s.f.15/MU
- Owned by RTC

The site is approximately 2.25 miles from the University of Nevada and 4.5 miles from downtown.



Clear Acre Site: Nearby Uses

The site is surrounded by mostly residential land use types. The surrounding land uses are predominately single-family housing with some smaller clusters of multifamily housing. There is a strip retail center at the southwest corner of US 395 and McCarran Boulevard.



Clear Acre Site: Location Attributes

The topography might allow for desirable views of downtown and the Serra Nevada mountains. There is additional vacant land surrounding the site. There are no services within the immediate vicinity of the site. The closest retail requires difficult crossings of both US 395 and McCarran Boulevard to access any services.



Local Multifamily Market Area Summary (1-mile radius from Clear Acre)

Typical multifamily construction types for the area include garden and low-rise apartments.

- As of 2019 Q2, there are no new units under construction, the last property built was The View Luxury Apartments with 305 units in 2009.
- The 2019 Q2 market rents in the surrounding area average \$1.30 per square foot or \$1,145 per unit.
- The vacancy rate is 3.8% in 2019 Q2 and has averaged 5.6% over the last 10 years.

| Market Average (25 properties) | | | | |
|--------------------------------|-----------|--|--|--|
| Vacant Units | 63 Å | | | |
| Asking Rent/SF | \$1.30 ₩ | | | |
| Concession Rate | 0.4% ₩ | | | |
| Studio Asking Rent | \$528 | | | |
| 1 Bedroom Asking Rent | \$1,017 | | | |
| 2 Bedroom Asking Rent | \$1,197 ₩ | | | |
| 3 Bedroom Asking Rent | \$1,504 ₩ | | | |

Multifamily Comp Criteria

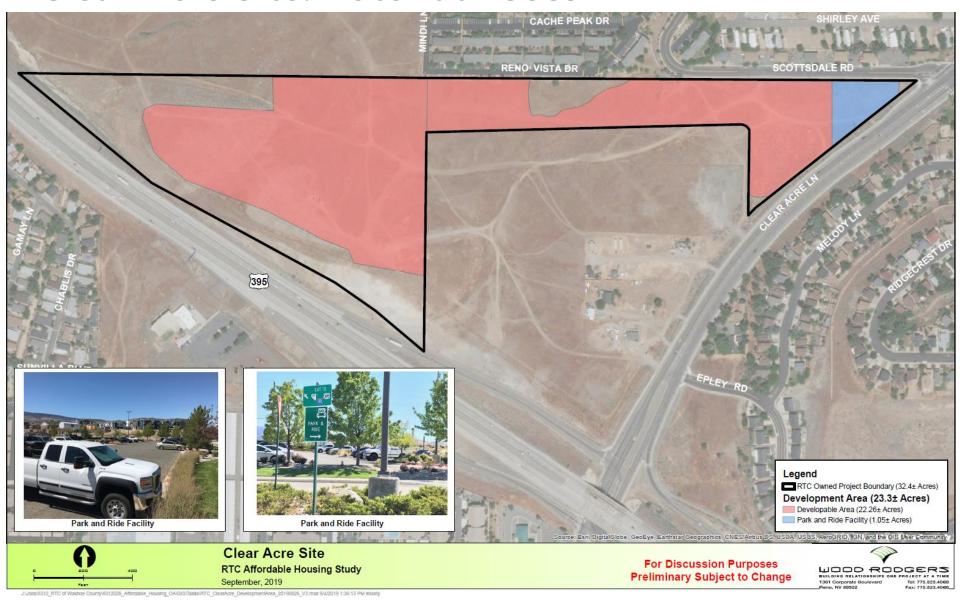
- Multifamily Rental Properties
- Within a 1-mile radius
- Market or Mixed Income Rent
- Over 5 units

Source: CoStar

Clear Arce Market Area, Rent Growth \$/s.f., 2009 - 2023



Clear Acre Site: Potential Uses



Clear Acre Site: Recommended Program

Strong population growth, market trends and surrounding land use types indicate that a mixture of townhomes and garden apartments are feasible. Lack of commercial amenities, low current rent levels, and distance from downtown indicate that higher-density types that require structured parking will not be viable.

| Development Type | Program |
|-------------------|--------------------------------|
| Garden Apartments | 12 Acres 240 to 360 units |
| Townhomes | 8 Acres 80 to 128 units |
| Retail | 1 Acre 10,000 – 15,000 s.f. |
| Park & Ride | 1 Acre |
| Park Space | 1 to 2 Acres |



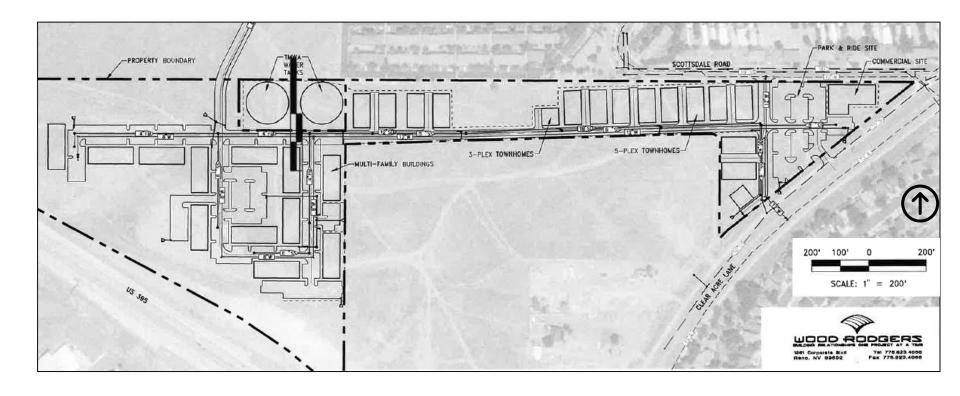
Image Source: Aster Town Center, KTGY



Image Source: Luminaira & Espaira, KTG

Clear Acre Conceptual Layout

Below is a conceptual layout of the Clear Arce site. This illustrations shows retail with surface parking on the eastern portion of the site, townhomes in the central portion, and garden apartments with surface parking to the west.



Clear Acre Development Feasibility Inputs

The inputs—shown at right—reflect the specific construction costs, estimated operating expenses, and revenue analyzed in the Clear Acre pro forma.

Costs

Based on market research and cost estimates from RSMeans and industry experts.

- Land purchase price (residual land value to be determined)
- Site preparation, e.g., demolition, grading
 - \$4/s.f.
- Hard Cost (construction)
 - Townhome Construction \$140-145/s.f.
 - Garden Apartment Construction \$161/s.f.
 - Retail Construction \$106/s.f. + \$45/s.f. Tenant Improvements
 - Parking Ratio of 1.25 per unit
 - Garden apartments are surfaced parked
 - Townhomes have garages
- Soft Costs
 - 18% of total hard cost

Operating Revenue and Expenses

Based on market research and data from industry experts.

- Rent revenue from retail, office, residential, parking
 - Residential \$1.41 (3% greater than top of market)
 - \$1.76/s.f. with rent premium
 - Avg. Unit size 950 s.f.
 - Building efficiency 100%
 - · Retail \$22.00
- Vacancy 5%
- Operating expenses for management, utilities, taxes, insurance, maintenance, etc.
 - \$5.28/s.f.

Pro Forma Summary for Clear Acre

\$0

per Dwelling Unit

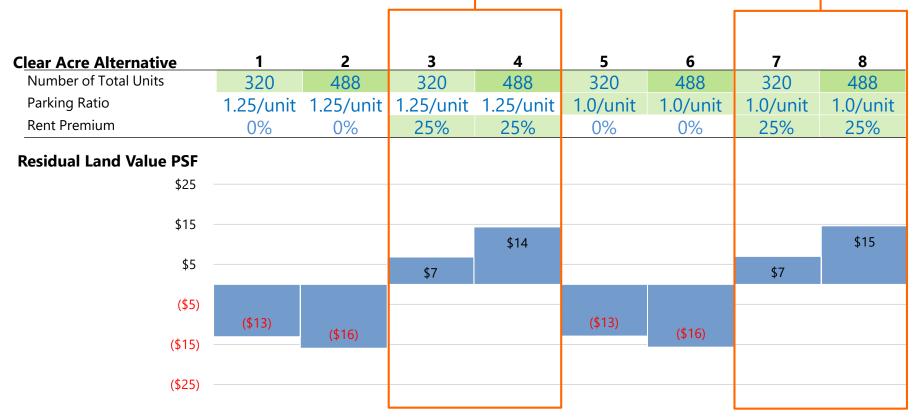
The difference between the capitalized value and the construction cost per unit is illustrated in the chart below. In alternatives 3, 4, 7 and 8 the value of the project is greater than the costs.

| Clear Acre Altern | ative | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|----------------------|---------------|--------------------------|-----------|--------------------|-----------|-----------|-----------|-----------|------------------|
| Number of Total U | | 320 | 488 | 320 | 488 | 320 | 488 | 320 | 488 |
| Parking Ratio | | 1.25/unit | 1.25/unit | 1.25/unit | 1.25/unit | 1.0/unit | 1.0/unit | 1.0/unit | 1.0/unit |
| Rent Premium | | 0% | 0% | 25% | 25% | 0% | 0% | 25% | 25% |
| Cost per Unit | | | | | | | | | |
| Site Prep | | \$12,142 | \$7,962 | \$12,142 | \$7,962 | \$12,142 | \$7,962 | \$12,142 | \$7,962 |
| Hard Costs | | \$151,618 | \$144,574 | \$151,618 | \$144,574 | \$150,725 | \$143,696 | \$150,725 | \$143,696 |
| Soft Costs | | \$27,739 | \$26,464 | \$27,739 | \$26,464 | \$27,659 | \$26,385 | \$27,659 | \$26,38 <u>5</u> |
| Total Cost per U | nit | \$191,499 | \$179,000 | \$191,499 | \$179,000 | \$190,526 | \$178,043 | \$190,526 | \$178,043 |
| Capitalized Value p | per unit | \$165,312 | \$157,784 | \$225,640 | \$215,330 | \$165,312 | \$157,784 | \$225,640 | \$215,330 |
| Residual Land Valu | ie (per s.f.) | (\$13) | (\$16) | \$7 | \$14 | (\$13) | (\$16) | \$7 | \$15 |
| Total Project Cost I | Per Unit | | | | | | | | |
| ■ Site Prep | \$250,000 | | | \$225,640 | | | | \$225,640 | \$215,330 |
| • | ş230,000 | * 46 = 040 | | φ <i>LL3</i> ,0 10 | \$215,330 | | | φ <u></u> | \$215,550 |
| ■ Parking | \$200,000 | \$165,312 | \$157,784 | | | \$165,312 | \$157,784 | | |
| ■ Hard Cost - Other | \$150,000 | | | | | | | | |
| ■ Soft Cost | \$100,000 | | | | | | | | |
| | \$50,000 | | | | | | | | |
| Capitalized Value | 40 | | | | | | | | |

Pro Forma Summary for Clear Acre

The increased rents in alternatives 3, 4, 7, and 8 all produce positive land values. The most favorable alternatives include higher total units (4 and 8).

Due to the low construction cost of surface parking, a parking reduction had little effect on land value. Alternatives with rent premiums have positive residual land value



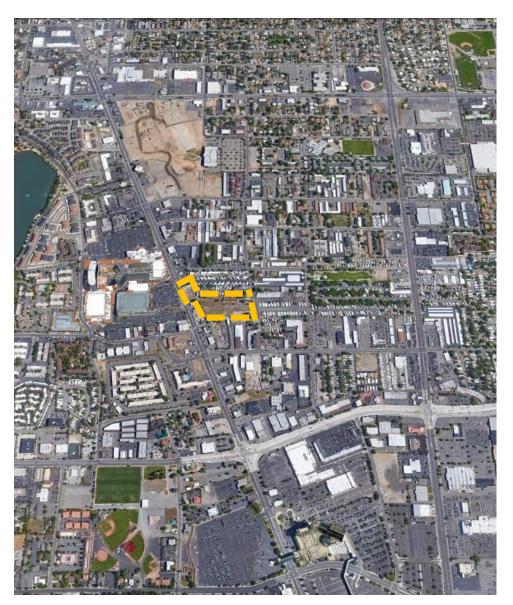
Site Feasibility: S. Virginia Street near Peppermill

South Virginia Street Site: Site Attributes

The South Virginia site is located northwest of the South Virginia Street and Gentry Way intersection. The site is west of I-580, under a mile from the nearest onramp.

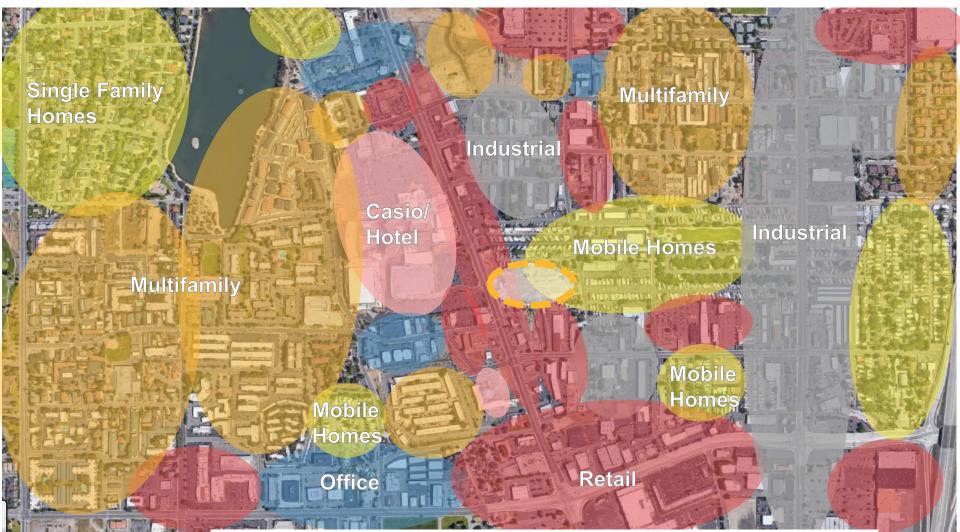
- Total of ~3.78 acres
- Undeveloped
- Zoned mixed-use
- Inside QCT and Opportunity Zone
- Near future RAPID transit station
- Multiple private owners
- Within half a mile of Park Lane development project

The site is approximately 1.5 miles from the airport and 2.5 miles from downtown.



South Virginia Street Site: Nearby Uses

The site is surrounded by variety of land use types. There are many retail locations close to the site offering multiple services. There is existing multifamily housing west of S. Virginia St. that is typically either low-rise or garden apartments. The site is located a quarter mile from a public park.



South Virginia Street Site: Location Attributes

There are multiple underutilized properties on the east side of S. Virginia Street. There is a significant amount of nearby retail, including an Asian market next door that sells produce. Although, a more traditional grocery store is just over a half-mile away. Just north of the site, Park Lane is under construction and there is potential for additional services when the project is complete. The site is irregularly shaped, complicating efficient development.



Local Multifamily Market Area Summary (1-mile radius from S. Virginia Site)

Typical multifamily construction types for the area include garden and low-rise apartments. Rents typically need to be above \$2.00 per s.f. to support structured parking. Park Lane may demonstrate support for higher rents, as new construction typically outpaces the market average.

- When the Park Lane development is complete there will be a 36% growth in submarket multifamily inventory.
- As of 2019 Q2, market rents in the surrounding area average \$1.35 per square foot or \$1,025 per unit.
- The vacancy rate is 4.4% in 2019 Q2 and has averaged 3.6% over the last 10 years.

| Market Average (120 properties) | | | | |
|---------------------------------|------------|--|--|--|
| Vacant Units | 210 🖡 | | | |
| Asking Rent/SF | \$1.35 🛊 | | | |
| Concession Rate | 0.7% ♥ | | | |
| Studio Asking Rent | \$730 🖡 | | | |
| 1 Bedroom Asking Rent | \$914 ₩ | | | |
| 2 Bedroom Asking Rent | \$1,152 \$ | | | |
| 3 Bedroom Asking Rent | \$1,428 \$ | | | |

Multifamily Comp Criteria

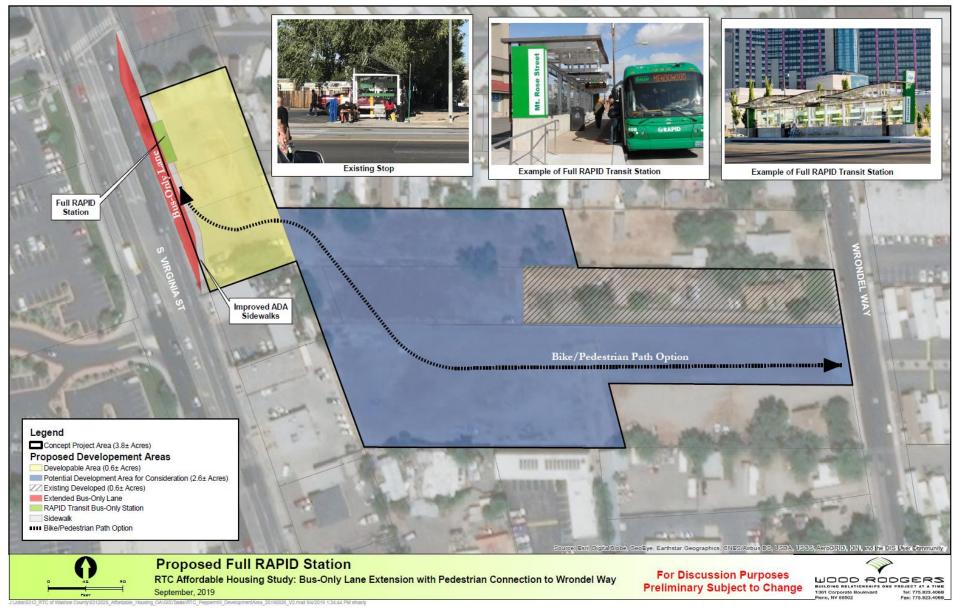
- Multifamily rental properties
- Within a 1-mile radius
- Market or mixed-income rent
- Over five units

Source: CoStar

S. Virginia Market Area, Rent Growth \$/s.f., 2009 - 2023



South Virginia Street Site



South Virginia Street: Recommended Program

Strong population growth, market trends and surrounding land use types indicate that garden apartment are feasible. Additionally, new construction at Park Lane is expected to set a new highwater mark for rents, which will improve feasibility for both urban garden and podium construction types. The site's size and shape may make wrap apartments difficult.

| Development Type | Program |
|--------------------------|-------------------------------|
| Urban Garden / Podium | 3.2 Acres 160 to 320 units |
| Retail | 10,000 to 15,000 s.f. |
| RAPID Station | 0.6 Acre |
| Park / Open Space | .05 to 1 Acres |

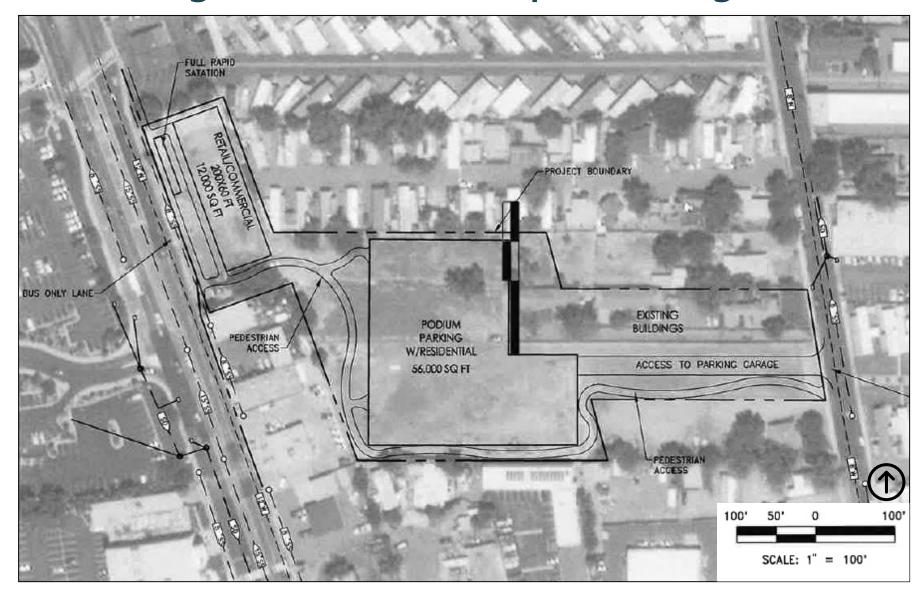




Image Source: Park Lane

mage Source: Waterfront at the Marino

South Virginia Street: Conceptual Design



South Virginia Development Feasibility Inputs

The inputs—shown at right—reflect the specific construction costs, operating expenses, and revenue analyzed in the South Virginia pro forma.

Costs

Based on market research and cost estimates from RSMeans and industry experts.

- Land purchase price (residual land value to be determined)
- Site preparation, e.g., demolition, grading
 - \$4/s.f.
- Hard costs (construction)
 - Podium Construction \$175/s.f.
 - Retail Construction \$106/s.f. + \$45/s.f. Tenant Improvements
 - Parking Garage \$76/s.f. (ratio of 1.25 per unit)
- Soft costs
 - 18% of total hard costs

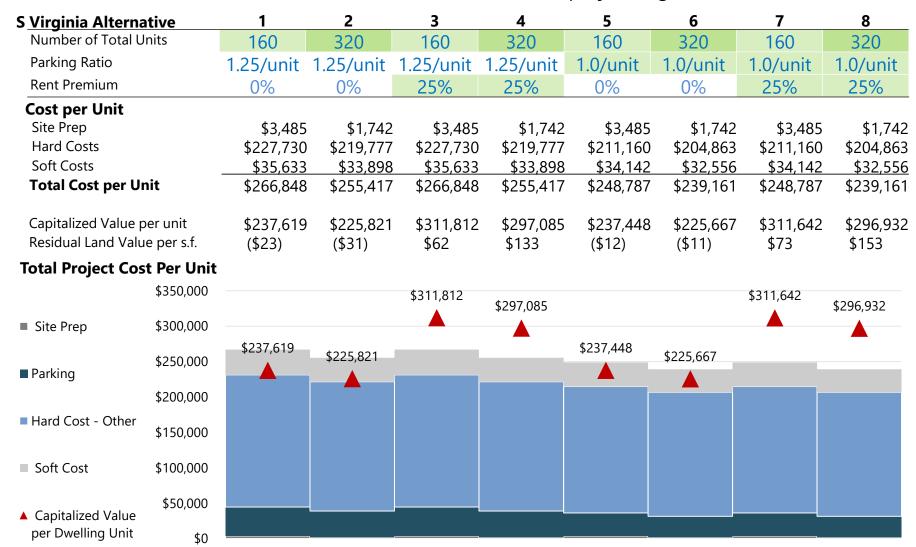
Operating Revenue and Expenses

Based on market research and data from industry experts.

- Rent revenue from retail, office, residential, parking
 - Residential \$2.11 (3% greater than top of market)
 - \$2.29/s.f. with rent premium
 - Avg. Unit size 750
 - Building efficiency 90%
 - · Retail \$22.00
 - Parking Space Rental \$40/month
- Vacancy 5%
- Operating expenses for management, utilities, taxes, insurance, maintenance, etc.
 - \$5.28/s.f.

Pro Forma Summary for S Virginia Street

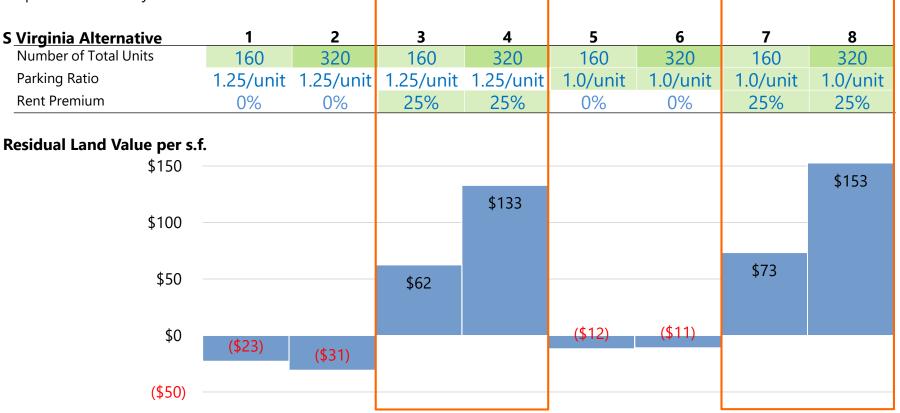
The difference between the capitalized value and the construction cost per unit is illustrated in the chart below. In alternatives 3, 4, 7 and 8 the value of the project is greater than the costs.



Pro Forma Summary for S Virginia Street

The increased rents in alternatives 3 through 8 all produce positive land values. The most favorable alternatives include higher total units (4 and 8).

Due to the high costs of structured parking, the parking reduction also increases the residual land value but not high enough to improve feasibility. Alternatives with rent premiums and parking reductions have positive residual land value



Site Feasibility: Neil Road at Meadowood

Neil Road Site: Site Attributes

The Neil Road site is located in south Reno on the southeast side of Meadowood Mall off Interstate 580 and McCarran Blvd.

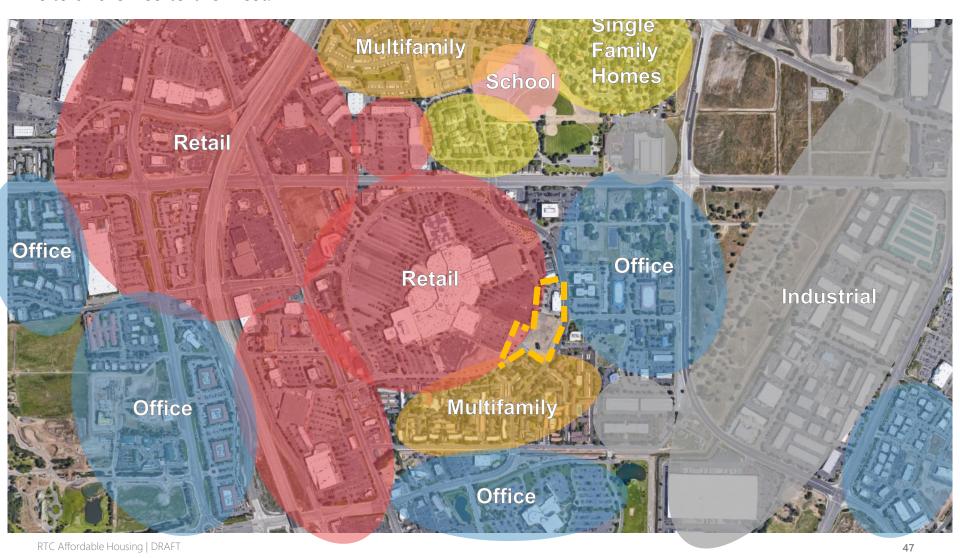
- A total of ~7 acres
- Undeveloped
- Zoned Mixed Use
- Could support relocation of existing bus transfer center
- Private ownership

The site is approximately 3 miles from the airport and 4.75 miles from downtown.



Neil Road Site: Nearby Uses

The site is surrounded by a majority of surrounding land uses are retail and is adjacent to Meadowood Mall. Additionally, there are some low-rise multifamily apartments directly south of the site and office to the west.



Neil Road Site: Location Attributes

There are many services and amenities within walking distance of the site, including groceries, restaurants, and retailers. The site is also very close to Jamaica Park, Pine Middle School, and Smithridge Elementary. Although, there are many amenities and services located near the site they often require crossing McCarran and/or S. Virginia Street. There is significant potential for further infill on the mall's surface parking lots as well as adjacent vacant lots.



Local Multifamily Market Area Summary (1-mile radius from Neil Road Site)

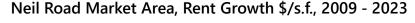
Typical multifamily construction types for the area include garden and a few low-rise apartments. Notably, the rents are relatively high, and the lack of recent construction indicates unrealized demand in the market area.

- As of 2019 Q2, there are no units under construction in the submarket, the last completed building was in 1988.
- Submarket rents in 2019 Q2 average \$1.52 per square foot, or \$1,188 per unit. The South Reno submarket area has the highest rents in the region.
- The 2019 Q2 submarket vacancy rate is 4.6% and has averaged 5.1% over the last 10 years.

| Market Average (12 properties) | | | | |
|--------------------------------|------------|--|--|--|
| Vacant Units | 79 🛊 | | | |
| Asking Rent/SF | \$1.52 \$ | | | |
| Concession Rate | 0.7% 🛊 | | | |
| Studio Asking Rent | \$789 🖡 | | | |
| 1 Bedroom Asking Rent | \$1,080 \$ | | | |
| 2 Bedroom Asking Rent | \$1,282 \$ | | | |
| 3 Bedroom Asking Rent | \$1,665 🖡 | | | |

Multifamily Comp Criteria

- Multifamily rental properties
- Within a 1-mile radius
- Market or mixed-income rent
- Over five units





Source: CoStar

Neil Road Site



Neil Road Site: Recommended Program

The submarket exhibits strong population growth, proximity to employment, favorable market trends and proximity to services that indicate podium apartments with ground floor retail are feasible.

There has been no new residential development in the area for almost 30 years, making rent levels a poor indicator of economic feasibility. However, the relatively high rents in older buildings indicate strong rental demand in the area.

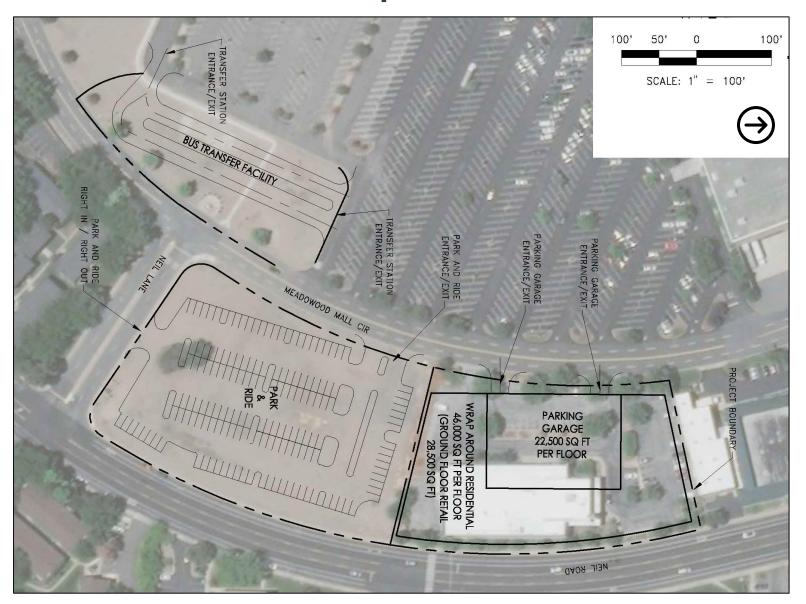
This area has the highest (or some of the highest) rents in the region. This indicates that structured parking might even be viable. If not, partnering with the mall to utilize their surface lots could be an option.

| Development Type | Program |
|---------------------|-------------------------------|
| Podium | 1.9 Acres 190 to 304 units |
| Ground Floor Retail | 15,000 – 30,000 s.f. |
| Transfer Facility | 2.8 Acres |
| Park and Ride | 2.4 Acres |



Image Source: The Hampstead Apartments

Neil Road Site: Concept Plan



Neil Road Development Feasibility Inputs

The inputs—shown at right—reflect the specific construction costs, operating expenses, and revenue analyzed in the Neil Road proforma.

Costs

Based on market research and cost estimates from RSMeans and industry experts.

- Land purchase price (residual land value to be determined)
- Site preparation, e.g., demolition, grading
 - \$4/s.f.
- Hard costs (construction)
 - Wrap Construction \$160/s.f.
 - Retail Construction \$106/s.f. + \$45/s.f. Tenant Improvements
 - Parking Garage \$76/s.f. (ratio of 1.25 per unit)
- Soft costs
 - 18% of total hard costs

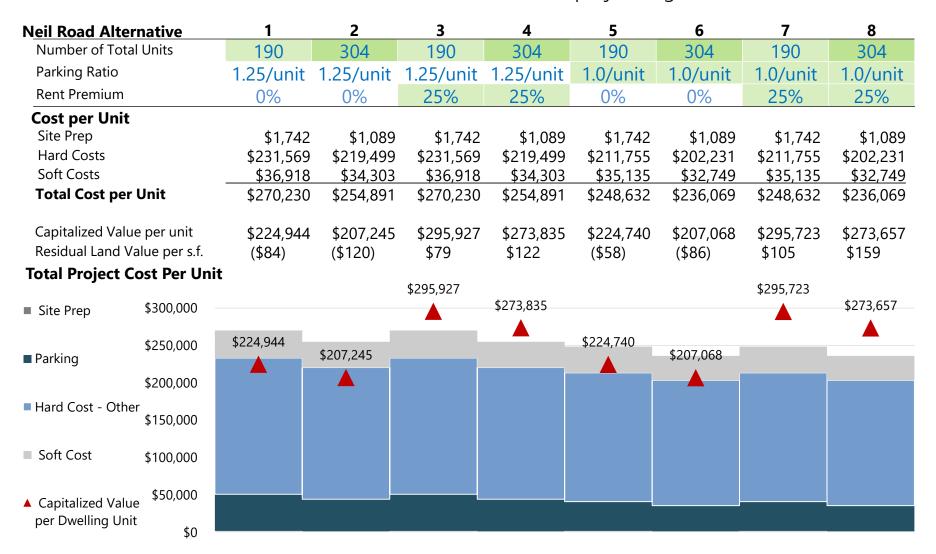
Operating Revenue and Expenses

Based on market research and data from industry experts.

- Rent revenue from retail, office, residential, parking
 - Residential \$1.83 (3% greater than top of market)
 - \$2.29/s.f. with rent premium
 - · Avg. Unit size 750
 - Building efficiency 90%
 - · Retail \$22.00
 - Parking Space Rental \$40/month
- Vacancy 5%
- Operating expenses for management, utilities, taxes, insurance, maintenance, etc.
 - \$5.28/s.f.

Pro Forma Summary for Neil Road

The difference between the capitalized value and the construction cost per unit is illustrated in the chart below. In alternatives 3, 4, 7 and 8 the value of the project is greater than the costs.

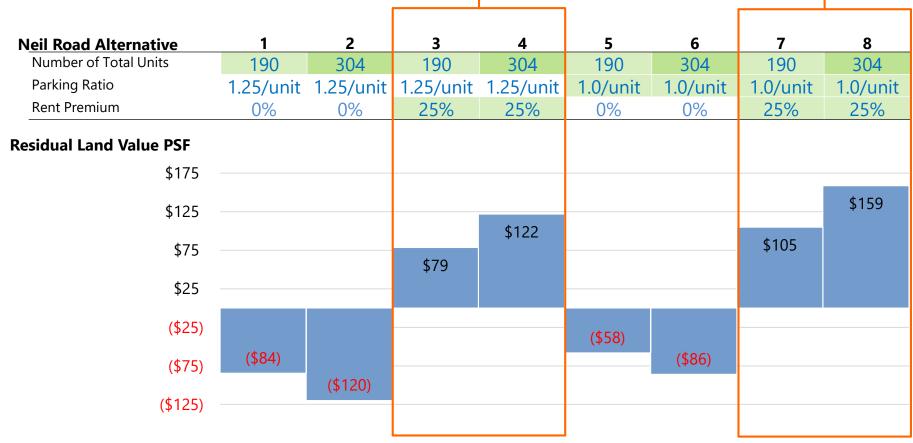


Pro Forma Summary for Neil Road

The increased rents in alternatives 3, 4, 7, and 8 all produce positive land values. The most favorable alternatives include higher total units (4 and 8).

Due to the high costs of structured parking, the parking reduction also increases the residual land value but not high enough to improve feasibility.

Alternatives with rent premiums have positive residual land value



Development Program Summary

Program Key Takeaways

- Due to its overall size, the **Clear Acre** site has greatest number of units that could be constructed, but has few services located near the site.
- The **S. Virginia** site is located on a transit corridor. Although its irregular shape complicates efficient development, development of the site could be a catalyst for other underdeveloped sites in the vicinity, and it could build off the momentum of the nearby Park Lane project.
- Of the three potential sites, the **Neil Road** submarket has the highest rents but the least amount of new construction, indicating a potentially strong opportunity for new development. This site is located near many retail services and could be influential for other redevelopment projects in the area.

| Development Type | Clear Acre Program | S. Virginia St. Program | Neil Road Program |
|------------------------------|--------------------------------|--------------------------------------|--------------------------------------|
| Townhomes | 8 Acres 80 to 128 units | | |
| Garden Apartments | 12 Acres 240 to 360 units | | |
| Wrap Apartments or Podium | | 3.2 Acres 160 to 320 units | 1.9 Acres 190 to 304 units |
| Retail | 1 Acre 10,000 – 15,000 s.f. | Ground Floor 10,000 – 15,000 s.f. | Ground Floor 15,000 – 30,000 s.f. |
| Park & Ride | 1 Acre | | 2.4 Acres |
| RAPID Station | | 0.6 Acre | |
| Trans.f.er Facility | | | 2.8 Acres |
| Park / Open Space | 1 to 2 Acres | .05 to 1 Acres | |

Financial Analysis Key Takeaways

- The financial feasibility modeling is based on market assumptions that may change over time and can vary significantly with minor adjustments. This high-level analysis identifies the site programs that are most likely to be feasible in today's market. The purpose of the analysis is to indicate general feasibility the specific residual land values could change significantly with different project inputs and more refined architectural analysis.
- Increased density, rent premiums, and reduced parking ratios all improved development feasibility. Rent premiums have the greatest effect on development feasibility, while reducing parking ratios mostly affected development programs with structured parking.
- The bottom line is that a range of development options for each site is feasible under the reasonable assumption that a new product would be able to exceed current market averages.

| Best Preforming Alternative | es 3 | 4 | 7 | 8 |
|------------------------------------|-----------|-----------|----------|----------|
| Clear Acre Total Units | 320 | 488 | 320 | 488 |
| S Virginia Total Units | 160 | 320 | 160 | 320 |
| Neil Road Total Units | 190 | 304 | 190 | 304 |
| Parking Ratio | 1.25/unit | 1.25/unit | 1.0/unit | 1.0/unit |
| Rent Premium | 25% | 25% | 25% | 25% |





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People Places Prosperity

503.222.1600 www.lelandconsulting.com

Urban Strategists

Appendix E



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

BILL NO. <u>6952</u>

ORDINANCE NO. 6382

AN ORDINANCE TO AMEND TITLE 18, CHAPTER 18.08 OF THE RENO MUNICIPAL CODE, ENTITLED "ZONING", BY AMENDING ORDINANCE NO. 5199 TO CHANGE THE TEXT IN THE SPD HANDBOOK TO MODIFY STANDARDS FOR: A) SIGN TYPE, SIZE AND LOCATIONAL REQUIREMENTS; B) BUILDING ORIENTATION; C) STREET AND PEDESTRIAN SYSTEM DESIGN; D) LIGHT POLE **BUILDING MATERIALS: HEIGHT:** E) **EXTERIOR** ARCHITECTURAL STYLE; G) BUILDING IDENTITY FOR CERTAIN DECK **FACADES**; **MODIFYING** TENANTS: H) PARKING I) "DEPARTMENT STORE IDENTITY" TO "KEY TENANT IDENTITY"; AND J) CHANGES TO THE SPD TEXT AND COMPLIANCE CHECKLIST TO REFLECT THE CHANGES TO ITEMS A-I AS LISTED ABOVE, LOCATED SOUTH OF SOUTH MCCARRAN BOULEVARD AND EAST OF SOUTH VIRGINIA STREET ON THE INTERIOR OF MEADOWOOD MALL CIRCLE IN THE MIXED USE/CONVENTION REGIONAL CENTER/GENERAL MIXED USE (MU/CRC/GMU) ZONE IN AN SPD (SPECIFIC PLAN DISTRICT) ZONE; TOGETHER WITH OTHER MATTERS PROPERLY RELATING THERETO.

SPONSORED BY: RENO CITY PLANNING COMMISSION THE CITY COUNCIL OF THE CITY OF RENO DOES ORDAIN:

SECTION 1. Chapter 18.08 of the Reno Municipal Code is hereby amended by adding thereto a new section to be known as Section 18.08.102(b).1330 relating to a ±76.09 acre site located south of South McCarran Boulevard and east of South Virginia Street on the interior of Meadowood Mall Circle in the Mixed Use/Convention Regional Center/General Mixed Use (MU/CRC/GMU) zone and more particularly described in the attached "Exhibit A"; and by amending Ordinance No. 5199 to change the text in the SPD handbook to modify standards for: a) sign type, size and locational requirements; b) building orientation; c) street and pedestrian system design; d) light pole height; e) exterior building materials; f) architectural style; g) building identity for certain tenants; h) parking deck facades; i) modifying "department store identity" to "key tenant identity"; and j) changes to the SPD text and compliance checklist to reflect the changes to items a-i as listed above, as described in Exhibit B, the same to read as follows:

Sec. 18.08.102(b).1330. The zoning of the City of Reno as heretofore established is hereby amended in the manner shown on the map labeled Case No. LDC16-00020, thereby changing the use of land indicated therein, relating to a ±76.09 acre site located south of South McCarran Boulevard and east of South Virginia Street on the interior of Meadowood Mall Circle in the Mixed Use/Convention Regional Center/General Mixed Use (MU/CRC/GMU) zone, and more particularly described in the attached "Exhibit A"; and by amending Ordinance No. 5199 to change the text in the SPD handbook to modify standards for: a) sign type, size and locational requirements; b) building orientation; c) street and pedestrian system design; d) light pole height; e) exterior building materials; f) architectural style; g) building identity for certain tenants; h) parking deck facades; i) modifying "department store identity" to "key tenant identity"; and j) changes to the SPD text and compliance checklist to reflect the changes to items a-i as listed above, as described in Exhibit B.

SECTION 2. 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 3. The City Clerk and Clerk of the City Council of the City of Reno is 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 <u>16th</u> day of <u>December</u>, 2015, by the following vote of the Council:

AYES: Delgado, McKenzie, Brekhus, Duerr, Jardon, Schieve

NAYS: None

ABSTAIN: Bobzien ABSENT: None

APPROVED this 16th day of December , 2015.

HILLARY ESCHIEVE

MAYOR OF THE CITY OF RENO

ATTEST:

ASHLEY D. TURNEY

CITY CLERK AND CLERK OF THE CITY

COUNCIL OF THE CITY OF RENO, NEVADA

EFFECTIVE DATE: December 18, 2015.

Stantec Consulting Inc. 950 Industrial Way Sparks NV 89431 USA Tel: (775) 358-6931 Fax: (775) 3 www.stantec.com

EXHIBIT "A"



December 10, 1999 Project No. 80400533

Jeff Codega Planning & Design Zone Change Legal Description

All that real property situate in a portion of the NW½ Section 31, T19N, R20E, MDM, City of Reno, County of Washoe, State of Nevada, more particularly described as follows:

Lots 1, 2, 3, and 6 of Meadowood Regional Retail Development Subdivision, according to the map thereof, filed in the Office of the County Recorder of Washoe County, State of Nevada, on July 14, 1977, under Filing No. 475753, as Tract Map No. 1663, Official Records and Parcel B as set forth on Parcel Map No. 2912, filed for record on June 2, 1995, as File No. 1898051, Official Records of Washoe County, Nevada.

Containing an area of 76.09 acres of land, more or less.

The above described parcels are subject to all easements and reservations of record.

BASIS OF BEARINGS: Meadowood Regional Retail Development Subdivision, according to the map thereof, filed in the Office of the County Recorder of Washoe County, State of Nevada, on July 14, 1977, under Filing No. 475753, as Tract Map No. 1663, Official Records.

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Buildings

Environment

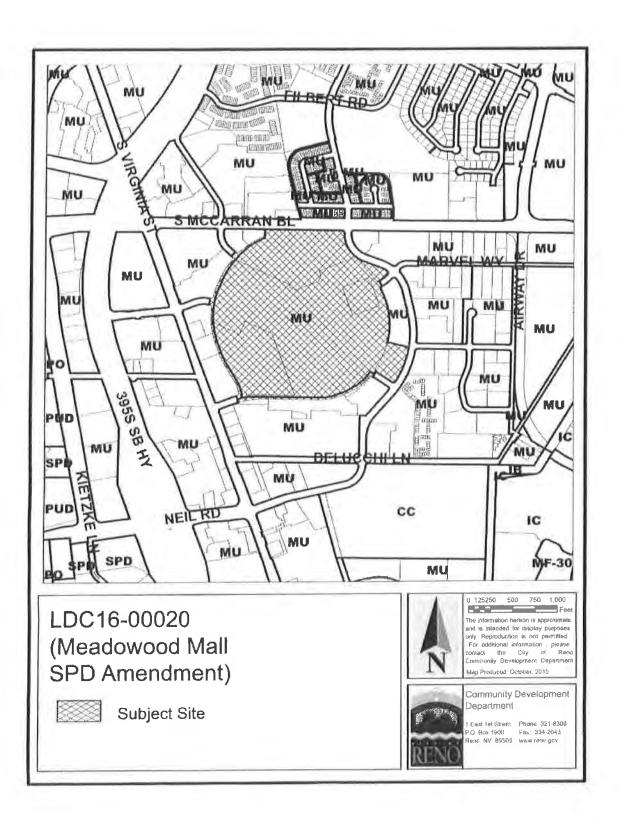
ladustrial

Management Systems

Transportation

Urban Land

JAMES A. TO MACK
NO. 6891
12-10-99



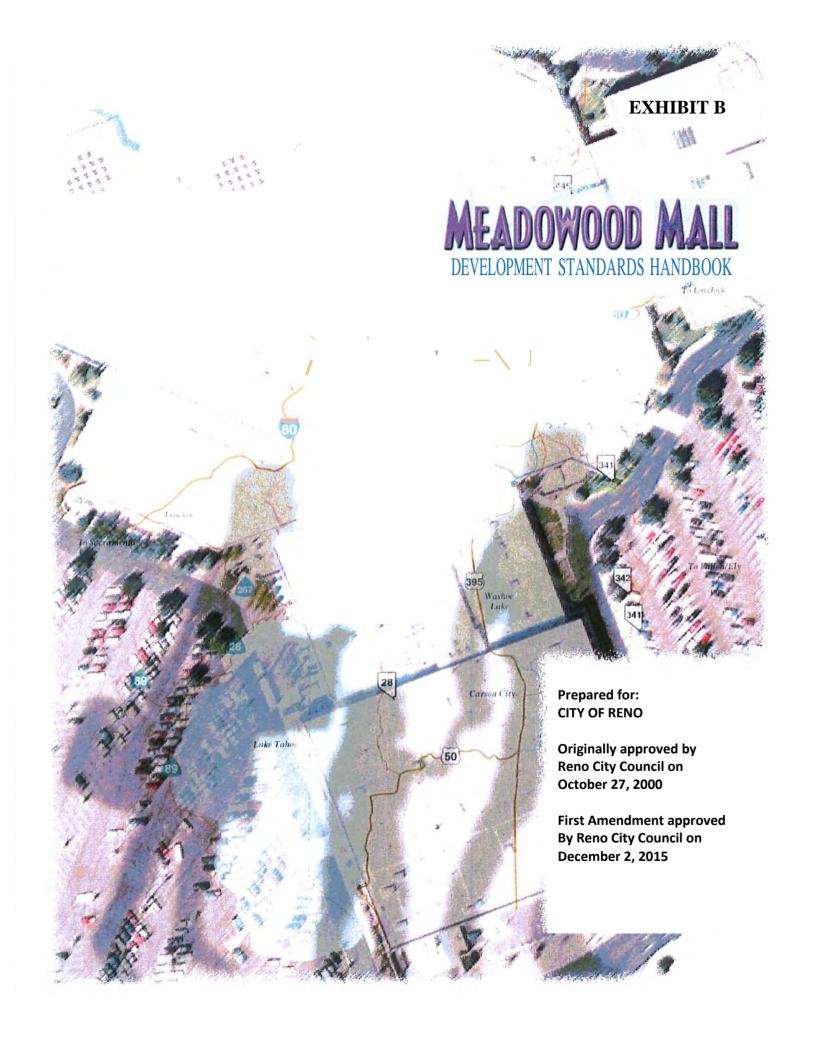




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CHAPTER ONE - PROJECT DESCRIPTION

INTRODUCTION

This Development Standards Handbook (Handbook) has been approved by the City of Reno pursuant to Case Number 231-00 to amend the zoning map from Community Commercial (CC) to Specific Plan District (SPD) relating to Meadowood Mall. Meadowood Mall is located at the southeast quadrant of the intersection of South McCarran Boulevard with South Virginia Street in Reno, Nevada as depicted in Figure 1-1 Location Map on this page. The property to which this development Standards Handbook applies is identified by Assessor's parcel numbers 025-372-01, 02, 07, 29, 30 and 32. The legal description for the property is in the Appendix.

The purpose of the Handbook is to establish development guidelines, standards and procedures in connection with any future expansion of Meadowood Mall with up to an additional 1,000,000 square feet of gross leasable area (GLA) over and above the $896,000 \pm \text{square feet}$ of existing GLA. Compliance with the applicable provisions of the Handbook shall be a condition for obtaining a building permit for any expansion.

The project will be developed in phases depending on numerous factors such as market demand, interest rates, competition and other similar factors. The developer shall have the right to develop the project in phases in such order and at such times as the developer deems appropriate within the exercise of its subjective business judgement and the provisions of this Handbook. The developer shall not be obligated to develop the project.

STATEMENT OF PURPOSE AND PLAN

The developer plans to expand Meadowood Mall by up to an additional 1,000,000 square feet of GLA over the next fifteen to twenty years. This expansion will occur within the site area identified on the Existing Site Plan, Figure 1-2 on page 1-2. Expansion plans could include the addition of new department store(s), expansions to existing department stores, additional mall shops and parking decks. The expansion of Meadowood Mall will be executed in phases in response to market conditions.

This Handbook addresses the specific needs for expansion of Meadowood Mall by establishing a Specific Plan District (SPD). This Handbook also sets forth standards and thresholds for development of Meadowood Mall. In conjunction with the SPD, a Development Agreement has been approved, which establishes the vested development rights and obligations between the parties.

INTENT

The SPD and Development Agreement recognize that Meadowood Mall requires and merits the application of special design and other criteria different from those embodied in the City's existing zoning ordinance. Its purpose is to enhance and maintain an economically viable shopping center

PROJECT LOCATION

Meadowood Mall is located in southeast Reno, south of McCarran Boulevard, and east of South Virginia Street on 76.09± acres. Surrounding land uses included commercial to the west and north. Professional offices are located directly east of Meadowood Mall, with multi-family residential located to the south, southeast, and northeast of the project site. The location of the mall is depicted in Figure 1-1 Location Map.

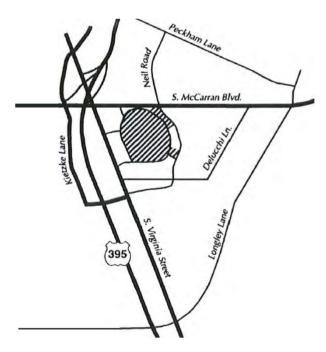


FIGURE 1-1 LOCATION MAP

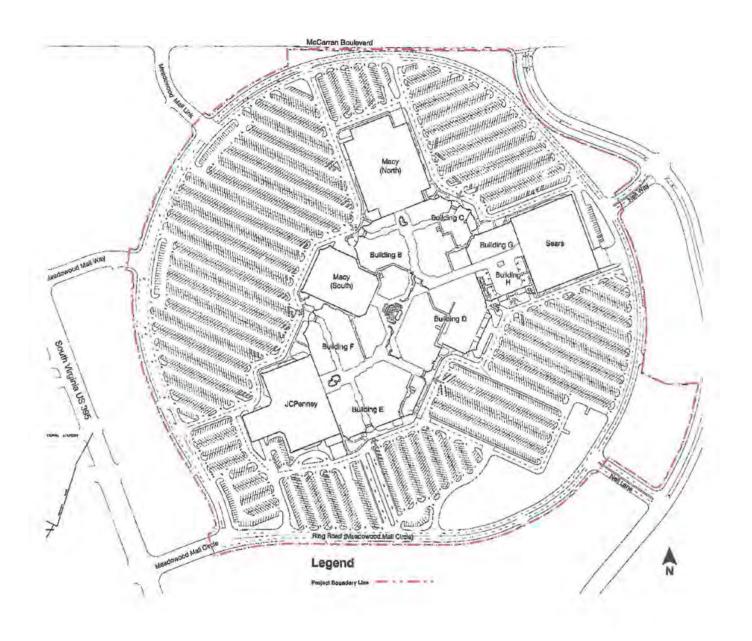


FIGURE 1-2 EXISTING SITE



SITE PLAN REVIEW PROCESS

All new construction, exterior additions or exterior modifications to any building or sign within the area identified as the Meadowood Mall as shown in Figure 1-2 Existing Site on page 1-2 are subject to a Site Plan Review consistent with the standards contained in this Handbook and Development Agreement.

In order to approve the site plan review application, the administrator shall make the following findings (and may impose limited conditions necessary to make such findings):

- The proposed project is consistent with all requirements of the Meadowood Mall Development Standards Handbook.
- 2. The project has safe and adequate automobile and pedestrian access.
- 3. The project has been designed in such a manner as to facilitate police and fire protection.
- 4. The project represents an integrated development per the Meadowood Mall Development Standards Handbook.
- The applicant will mitigate the traffic impacts of the project as required in the Meadowood Mall Development Standards Handbook and Meadowood Mall Development Agreement.

APPLICATION FOR SITE PLAN REVIEW

All applications submitted for a building permit will require prior approval of a Site Plan Review by the City of Reno Community Development Department. Applications for Site Plan Review will include the information as shown in Exhibit 1 in the Appendix.

PLAN AMENDMENT PROCESS

Changes or refinements to this Handbook may be approved by the Administrator, when in the opinion of the Administrator, the changes or refinements do not impact the health, safety, and welfare of the general public; project design or site circumstances, etc. warrant the changes or refinements, and; the intent of the Development Standards Handbook is met with approval of the changes or refinements, and; the changes or refinements do not violate City code.

APPLICABILITY

This Handbook is applicable to new construction, additions, modification to existing structures, signs and landscape elements to be located within the project area identified in Figure 1-2 Existing Site on page 1-2.

The project shall comply with all applicable City codes, and plan reports, materials, etc. as submitted. In the event of a conflict between said plans, reports, and materials and City codes, City codes in effect at the time the building permit is applied for shall prevail except as provided for in the Meadowood Mall Development Agreement.



CHAPTER TWO – SPECIFIC PLAN DISTRICT DEVELOPMENT STANDARDS

DEFINITION OF TERMS

INTENT

Intent statements are provided to define goals for which the standards and guidelines are created. In circumstances where the appropriateness or applicability of a standard or guideline is in question or under negotiation, the intent statement will serve to provide additional direction.

STANDARDS

Standards are objective criteria that provide specific direction based on the stated intent. Standards are used to define issues that are considered critical to achieving the stated intent. Standards use the term "shall" to indicate that compliance is required unless it can be demonstrated that an acceptable alternative meets one or more of the following conditions:

- The intent for which the standard was created to address will not be achieved by the application of the standard in this particular circumstance;
- The application of other standards and/or guidelines will be improved by not applying this standard;
- The application of one or more related guidelines may be amended by the reviewing entity to provide a sufficient substitute for the standard, or;
- Unique site factors make the standard impractical.

GUIDELINES

Guidelines provide further considerations that promote the goals defined by the intent statements. Guidelines use the terms "should" or "may" to denote that they are considered pertinent to achieving the stated intent, but allow discretion based on site and project conditions. While the failure to meet a Guideline is not grounds for denial, it will be strongly considered when there is a request to waive a related standard.

LAND USE CLASSES

INTENT

To define the land use classes permitted as part of the Meadowood Mall expansion. The land uses are presented in the Specific Plan District Section of Reno Zoning Code (RMC 18.06286 (b)) and are as follows:

- Neighborhood Commercial
- Community Commercial
- Recreational Uses
- A list of specific Allowed Land Uses is contained in Exhibit 2 in the Appendix.

DEVELOPMENT / SITE PLAN

BUILDING ORIENTATION AND LOCATION

INTENT

To provide for the orderly expansion of the shopping center to a more urban and intense use.

To define the relationship of new structures, including parking decks to the existing buildings and the circulation / access system.

To spatially define the "ring road" with building setbacks, architectural elements and/or landscaping which helps to create a positive environment along the "ring road".

STANDARDS

BUILDING SETBACKS (INCLUDING PARKING STRUCTURES)

• Building setback lines within the ring road shall be at least fifteen (15) feet, as measured from the inside radius of the ring road. Building setback lines on that portion of the property outside of the ring road shall be a minimum of fifteen (15) feet as measured from the outside radius of the ring road easement. Setbacks for rear and side yards outside the ring road shall similarly be fifteen (15) feet



MEADOWQQQ, MALL

as measured from the relevant property line. Figure 2-1 Building Setbacks on this page illustrate the building setbacks.

Parking structures under two levels in height located within the ring road shall be setback at least fifteen (15) feet as measured from the inside radius of the ring road.
 Building setbacks for parking structures exceeding two supported levels in height shall include a building minimum inset of five (5) feet in width for each additional supported level. Figure 2-1 Building Setbacks illustrates the parking structure setbacks on this page.

BUILDING ORIENTATION

Meadowood Mall is an existing collection of buildings that are oriented to an internal pedestrian circulation system and an external vehicular and pedestrian circulation system. New buildings and parking structures may be located to give primary focus to the internal orientation of new structures relative to the existing structures. External orientation of buildings shall be designed to optimize access, parking and traffic circulation. Nothing contained in this Handbook shall be construed to prohibit free standing buildings, separate from the existing collection of buildings.

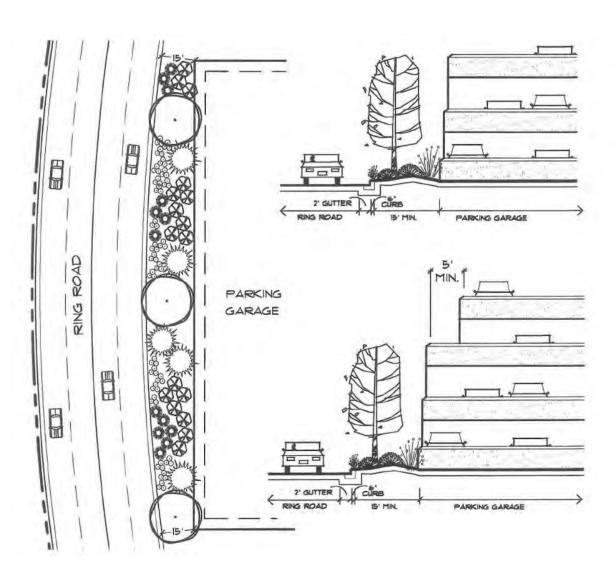


FIGURE 2-1 BUILDING SETBACKS



STREET AND PEDESTRIAN SYSTEM DESIGN

INTENT

To promote harmonious interaction between the pedestrian, vehicular and built environment.

To provide balance in the design of the ring road environment by responding to the needs of all users. In particular, to create designs that provide the same level of convenience for all modes of transportation users including motorists, bicyclists, pedestrians and transit.

To create comfortable and safe environments along the ring road and internal circulation elements and at designated crossings for both pedestrians and bicyclists.

To create clear, comfortable and direct connections between building entrances and the sidewalk system.

STANDARDS

- All street level entries shall be directly connected to the parking structures with a five (5) foot minimum width walkway. For details on entry type and landscape standards, refer to Architecture on page 2-12 and Landscape Architecture on page 2-15. Refer to Figure 2-15A Typical Focal Mall Building Entry Landscape Treatment on page 2-21 and Figure 2-15B Typical Mall Entry Landscape Treatment on page 2-22.
- New building location and orientation shall create pedestrian circulation continuity with the existing buildings and parking structures. Figure 2-2 Typical Mall Pedestrian Circulation illustrates the pedestrian connections with a mall entry on page 2-4. A pedestrian access and circulation plan for the expansion area shall be provided with each building addition to the project.
- Prior to issuance of a certificate of occupancy for the first phase of expansion, a five (5) foot wide sidewalk shall be constructed along the south side of McCarran Boulevard adjacent to the site between Neil Road and Meadowood Mall Link.
- A minimum of four (4) sidewalk connections from the adjacent public streets shall be provided. Additional sidewalk connections may be required, as deemed appropriate by staff with application for each site plan review. At least two (2) sidewalk connections between adjacent streets and

the interior of the site shall be provided with the first expansion phase.

- There shall be a minimum of three (3) additional outdoor public open spaces or focal entries provided with the buildout of the Mall. There shall be constructed a minimum of one public open space for each 250,000 square feet of mall expansion. For increments between these thresholds, staff will determine, in consultation with the developer, the appropriateness and location of the next public open space area. In any event, construction of the public open space may not necessarily be constructed in precise 250,000 square foot increments. These public open spaces shall be a minimum of 2,500 square feet. Figure 2-3 Typical Public Open Space Concept on page 2-5 illustrates the general layout for the public spaces. Illustrating the General Location of Public Open Space is Figure 2-4 on page 2-6. Standards for the public open space and focal entries shall be consistent with the Mall Building/Vehicular Entries and Public Open Space on pages 2-18 and 2-21 as shown in figure 2-15A on page 2-21.
- The public open space/plazas shall be functional and comfortable by providing decorative paving, furnishings such as seating, low walls suitable for seating, lighting, fountains, and trash receptacles. Shade structures and public art may also be included. Existing mall entrances are illustrated in Figure 2-5 Typical Mall Entrances on page 2-7.



- At such time as an additional open space plaza is required, its location shall be incorporated into the site plan such that it provides an interface at or near the perimeter of mall buildings, providing that the area is not entirely enclosed or blocked by building or parking structures.
- Mall entries, excluding service entries shall serve as alternative entries to the Mall and department stores and shall have a minimum of a ten (10) foot sidewalk approach. These entries will be located throughout the Mall and department store. Refer to Landscape Architecture, Mall Building and Vehicular Entries Section, for details of conceptual design standards on page 2-18.
- A transit station, either public and/or private, shall be incorporated into the pedestrian circulation of the site. This requirement shall be addressed with each building addition, as applicable.
- To enhance transit use, bicycle use, pedestrian activity and carpooling, an Employee Trip Reduction (ETR) program will be provided. The ETR program shall be implemented prior to the issuance of any certificate of occupancy for the first phase of development, and continuously maintained by the developer or subsequent owner. ETR program provisions shall be subject to Regional Transportation Commission and Community Development Department approval.

Bicycle parking shall be provided equal to one and one half (1.5) percent of net automobile parking space requirement for each expansion. The bicycle parking shall be distributed between public and employee entries. Each inverted-U rack shall count as two (2) bicycle parking spaces. A bicycle parking plan demonstrating compliance with this standard shall be provided with each building expansion or phase.

 Any curb cuts with access onto public right-of-way shall require City approval.

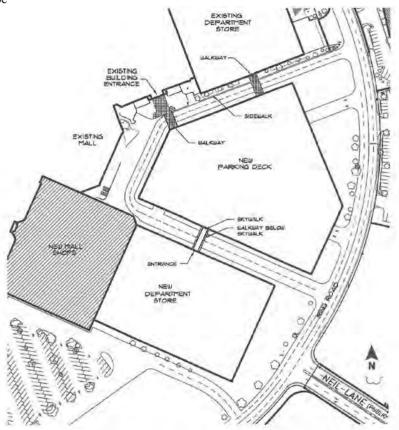


FIGURE 2-2 TYPICAL MALL PEDESTRIAN CIRCULATION

MALL BUILDING

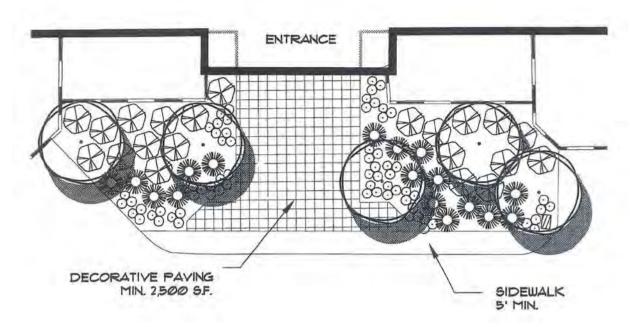


FIGURE 2-3 TYPICAL PUBLIC OPEN SPACE CONCEPT

GUIDELINES

- Mall building entries should have identity signage and landscaping. Multiple entries should be provided for pedestrians.
- Where practical, pedestrian and vehicular circulation should be separated to minimize conflicts.
- Drop-off lanes, and/or vehicular access drives will be allowed between parking garages and the mall building if designed to accommodate and encourage pedestrian connections.
- The existing transit facilities will be maintained to provide convenient access to the Mall for both patrons and employees.
- New or expanded transit facilities will be developed on-site in coordination with the mall developer, City of Reno and Regional Planning Transportation Commission (RTC).
 The transit facilities will be provided in proportion to transit growth and ridership. Transit facilities will be

- designed to minimize modal conflicts and to provide efficient transit operations on-site.
- Pedestrian walkways to mall entries should be provided from designated on-site public transit facilities.
- New or expanded buildings should provide secure, conveniently located bicycle parking, including designated parking areas within the ground level of parking structures. Bicycle parking should be located close to building entrances, and in public view. While separate and specific bicycle routes within parking areas and drives are not required, nor in many cases encouraged, drives and sidewalk areas in front entries of buildings should be designed to accommodate bicycles.
- Building location and orientation should provide continuous pedestrian circulation with the adjoining and existing buildings.

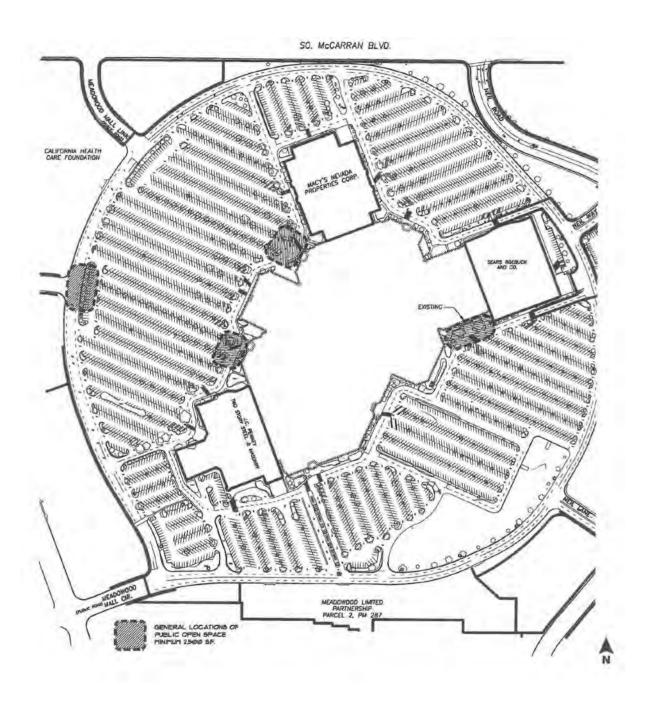


FIGURE 2-4 GENERAL LOCATION OF PUBLIC OPEN SPACE

MEADOWOOD MALL

PARKING

INTENT

To provide adequate parking capacity based upon standards which may from time to time be adopted by the Institute of Transportation Engineers (ITE), Urban Land Institute (ULI) or other validated parking demand study standards for major regional shopping centers.

STANDARDS

- Parking shall be provided based on a ratio of 3.15 parking spaces per 1,000 square feet of gross building area (GBA) for the Mall building. Parking shall be provided based on a ratio of 3.8 parking spaces per 1,000 square feet of BGA for Department Stores. The minimum accessible parking requirement is twenty (20) spaces plus one (1) space for each 100 spaces over 1,000 spaces required. Requests to reduce the parking ratio will be considered if the Mall implements Traffic Demand Management (TDM) measures such as ridesharing, carpooling, employees transit pass subsidies, etc.
- Upon application for either a building permit or business license, the applicant shall provide to the City a parking

- calculation of required parking versus parking provided to ensure that an adequate number of parking stalls are available. The administrator can allow up to a 10% reduction of the total required parking for the expansion on an interim basis. For example, when the parking required would necessitate the construction of partial parking decks, the parking shortfall shall be provided with the next phase of construction.
- Parking shall be at a 60° angle with one-way aisles or 90° angle with two-way aisles. Compact parking spaces shall not exceed 25% of total required parking spaces. Figure 2-6 Parking Stall Standards on page 2-8 illustrates the minimum dimensions for standard, compact and accessible parking stalls, and associated drive aisle widths.

GUIDELINES

- Parking areas (including the size and orientation of individual parking spaces) should be designed in accordance with standards adopted by ITE, ULI or other similarly accredited organizations.
- Parking at other angles and dimensions may be provided as approved by the City.



Focal Entry

FIGURE 2-5 TYPICAL MALL ENTRANCES

MEADOWOOD MALL

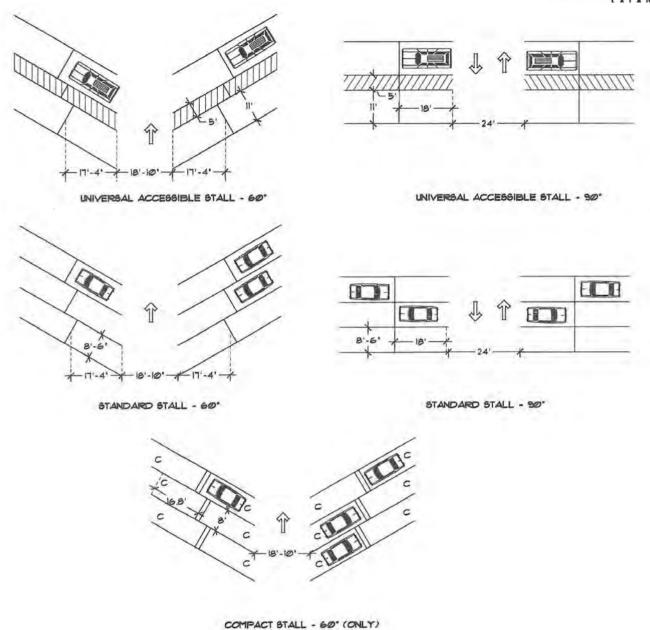


FIGURE 2-6 PARKING STALL STANDARDS

- Compact parking spaces are encouraged to be used at tree planter locations in surface parking lots.
- In all cases, the administrator should have the authority to vary parking requirements if the applicant is able to provide sufficient information on similar projects from industry standards such ITE, ULI or other source for regional shopping centers that demonstrate alternative parking requirements are justified. Examples of justification could include shared parking during offpeak hours or more recent studies showing different parking demands.



EXTERIOR MECHANICAL, ELECTRICAL EQUIPMENT, SERVICE AREAS AND TRASH ENCLOSURE SCREENING

INTENT

To minimize the visual impact of services areas, refuse storage, and mechanical/electrical equipment from streets and parking areas

STANDARDS

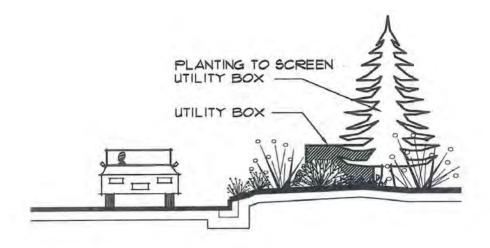
- Switch boxes, transformers, electrical and gas meters and other above ground or building-mounted utility elements shall be screened or located out of view from the ring road or public areas, such as exterior public entrances and courtyards. Transformers and other utility equipment that must be above ground shall be screened with planting, berms or with enclosures acceptable to the utility company providing the service. Refer to Figure 2-7 Examples of Mechanical and Electrical Screening on page 2-10.
- Mechanical screens and penthouse structures shall be integrated with the façade of the building. Screens shall be continuous and "solid" in appearance (no picket fences permitted). All rooftop utility and mechanical equipment shall be screened by the actual building elements or parapets rather than an open lattice enclosure. All mechanical and utility equipment shall be painted in colors compatible with the color of the roof. Refer to Figure 2-7 Examples of Mechanical and Electrical Screening on page 2-10.
- Service and loading area screening shall be per the landscape standards in the Landscape Architecture section for Screening for Service/Loading Areas on page 2-22.
- Loading areas and trash enclosures shall be located either inside a closed building or behind a visual barrier to screen from streets/accessways and parking lot areas. Refer to Figure 2-16 Examples of Service and Loading Area Screening on page 2-23.
- The specific landscape standards are in the Landscape Architecture Screening for Service/Loading Areas section of this Handbook on page 2-22.
- Loading docks shall be set back, recessed and screened from view by walls, berms or plantings as described in landscaping standards. Refer to Figure 2-16 Examples of Service and Loading Area Screening on page 2-23.

- Exterior on-site utilities, including sewers, gas lines, water lines, electrical, telephone and communication wires and equipment shall be installed underground.
- Outdoor storage shall be prohibited.
- The screening design shall complement the building design. The method of screening shall be architecturally integrated in terms of materials, color, shape and size.
- All enclosures shall be designed of durable materials with finishes and colors that are consistent with or complementary to the overall architectural design.

GUIDELINES

- To the extent practical, refuse storage and collection areas should be combined with other service and loading areas.
- Where practical, refuse containers and transformers should share the same enclosure or enclosed area.

MEADOWOOD, MALL



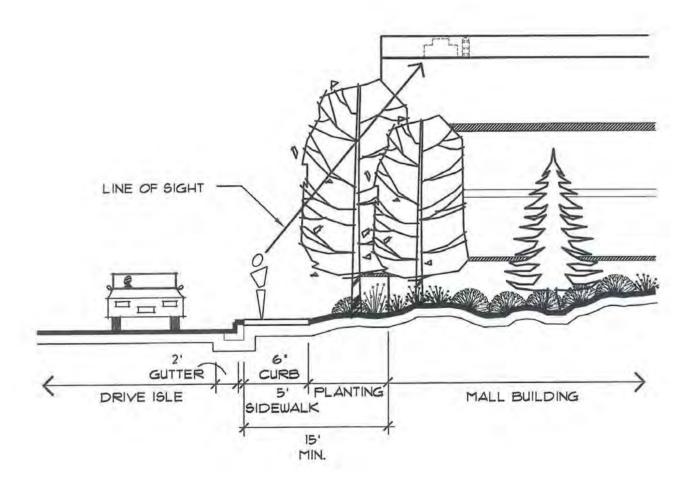


FIGURE 2-7 EXAMPLES OF MECHANICAL AND ELECTRICAL SCREENING



LIGHTING

INTENT

To enhance safety, to emphasize important and functional areas of the mall (i.e. entrances, pedestrian accessways) and add to the aesthetic cohesiveness of the project.

STANDARDS

- All new or replaced light standards for surface parking lots shall be limited to fifty (50) feet in height, including the base. Light standards installed prior to the date of adoption of this Handbook may be in excess of fifty (50) feet in height.
 Refer to figure 2-8 Example of Project Parking Lot Lighting on this page.
- Lighting shall be shielding as needed to prevent glare onto adjoining residential land uses.
- No light standard shall be placed within forty (40) feet of residential properties.
- Light fixtures on the roof-top level of parking structures shall be of a 'sharp cut-off' type that directs the light down onto the parking surface designed to be as inconspicuous from adjoining streets and residential buildings as is practical. Parking deck light standards shall be limited to twenty (20) feet in height, including base.
- Parking lot, service area and security lighting shall use white light sources such as metal halide, incandescent, or mercury vapor lamps.

GUIDELINES

- Parking lot lighting should be consistent with the architecture and consistent throughout the entire mall site.
- Exterior building lighting is encouraged and should accentuate building elements such as entrances, bays, corner elements or pilasters, and/or create lighting patterns that emphasizes the building's architectural/structural forms.
- Light levels at public entrances should be higher than those in surrounding exterior spaces, while maintaining an appropriate balance with ambient public area lighting levels.
- Decorative lighting such as accent lighting in planters will be allowed as long the lighting is directed away from the vision of pedestrian or motorists.

Decorative and accent lighting should be designed to achieve their intended purpose.

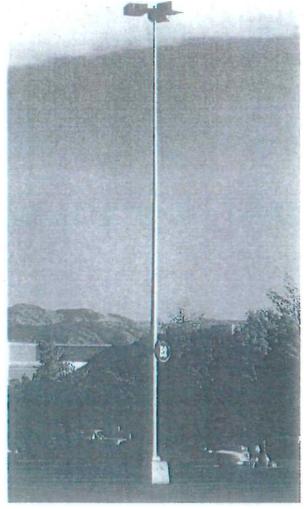


FIGURE 2-8 EXAMPLE OF PROJECT PARKING LOT LIGHTING



ARCHITECTURE

INTENT

To provide designs with distinct identities for the department stores, while expressing a thoughtful integration of buildings or building components.

To create buildings with a human scale at places with pedestrian activity.

To avoid monotonous, monolithic buildings.

To design new building(s), including department stores and the shopping center, that complement the character of the existing project buildings. For the existing architecture refer to Figure 2-9 Existing Meadowood Mall on page 2-13.

BUILDING SIZE

STANDARDS

- Meadowood Mall shall be allowed to expand by an additional 1,000,000 square feet of GLA.
- The gross building area (GBA) shall be a maximum of 25% above the approved 1,000,000 square feet gross leasable area (GLA). Each expansion plan shall include the existing/proposed GBA and existing/proposed GLA.

BUILDING HEIGHT

STANDARDS

- Meadowood Mall is located within a "focal center" as designated in the City's Master Plan. Buildings shall be limited to seventy-five (75) feet in height.
- Parking structures in that portion of the property within the ring road shall be limited to fifty-five (55) feet and parking structures outside of the ring road shall be limited to forty (40) feet.

BUILDING EXTERIORS – MATERIALS AND FACADES

STANDARDS

 All buildings shall be constructed of durable materials which are suited to local conditions, professionally crafted or fabricated to high quality industry standards.

- Appropriate materials shall include plaster or "stucco" (including, but not limited to, synthetic EFIS stucco or other substitutes that resemble traditional plaster or "stucco"), brick, masonry, stone, metal, glass and tile.
- Predominant exterior building materials shall not include the following: smooth-faced concrete block, tiltup concrete panels without fenestration or texture changes and pre-fabricated steel panels. Highly reflective mirror glass is prohibited.
- Each building within the center shall be architecturally finished on all exterior sides.
- Long wall planes or blank walls (over 50 linear feet) shall be articulated to create visual interest.
- Articulated Walls: Articulation of long or blank walls shall be accomplished by at least two of the following techniques:
 - O Use of color or change in materials.
 - Use of building attachments such as columns, pilasters, cornices, reveals, recesses, projections or attachments.
 - Landscaping adjacent to building. Refer to Landscape Architecture section starting on page 2-15.
- Key Tenant Identity: Each tenant located within: 1) a store containing more than 30,000 square feet, 2) a freestanding building, 3) a restaurant, or 4) any other tenant with exterior facing facades (all considered "key tenants") is allowed to use its own individual architectural style to express its unique identity, as long as it is materially consistent with the standards contained in this Handbook.
- Exterior Colors: Facade colors shall be low reflectance, and of subtle, neutral or earth tone colors. The use of high intensity colors, metallic colors, black or fluorescent color schemes are permitted as accents to the overall color(s) of the building.
- Parking Deck Facades: Parking deck facades shall provide architectural detail employing color, texture and/or design patterns to enrich the surface which are consistent with Meadowood Mall architecture. During the Site Plan Review process the applicant shall demonstrate that each parking structure has been designed to complement the architectural concept or expression of the adjacent building(s).

MEADOWOOD, MALL





FIGURE 2-9 EXISTING MEADOWOOD MALL



FIGURE 2-10 PARKING DECKS CHARACTER EXAMPLES



- Parking Structure Building Inset: Parking structures along the ring road exceeding two supported levels shall include a minimum building inset of five (5) feet in width for each additional supported level over two.
- Roof Planes: Major roof planes shall appear to be horizontal as seen from the street and parking lots. Accent roof forms for elements such as skylights, arcades, porches, entries, porte cocheres, protruding bays, penthouses and other special architectural features shall be allowed.

GUIDELINES

• The common thread that runs through the exterior of Meadowood is the buff colored brick, capped by a precast concrete coping. Refer to Figure 2-9 Existing Meadowood Mall on page 2·13. The basic materials have numerous variations that are expressed in recesses, protrusions, and undulations of wall surfaces to create interest with shades, shadows and backgrounds for landscaping. Changes of patterns, sizes, coursings (vertical, horizontal, and soldier) create different patterns that add interest, while retaining the architectural harmony of the overall complex. Exterior fenestration may have a repetitive pattern.

- Building materials should he used to create interest, unity and compatibility. Exterior elements and materials should be limited incompatible with one another, and in scale with the building. Care should be taken that materials do not detract from the buildings' overall appearance. Articulated on parking decks may be of multiple colors, tones of same color, or changes in texture.
- Architectural Style: All mall buildings should incorporate a "harmonious" architectural design. The general architecture is "contemporary" reflecting current methods of construction. Each Key Tenant as described above on page 2-12 is allowed to utilize its own individual architectural identity. Refer to Figure 2-9 Existing Meadowood Mall on page 2-13.



LANDSCAPE ARCHITECTURE

INTENT

To provide a pleasant environment and to complement the building architecture.

To provide a human scale, screening and provide shade, particularly at key pedestrian access entries.

To soften and break up the visual presence of large buildings and paved areas.

To provide landscape materials and systems that conserve water, and are generally appropriate to the climate.

As Meadowood Mall expands in phases, the landscape standards apply to the development area of each expansion. This will minimize disturbances to the overall site and focus new improvements in the appropriate location. The new landscaping will be compatible with existing landscaping. The new landscaping shall transition into and complement existing landscaping.

GENERAL

STANDARDS

- Plant material shall be selected from the Plant Palette in the Appendix of this Handbook, which may be added to over time.
- Plant species selected shall be suitable to the Truckee Meadows environment. Plant selection shall contain a combination of materials with fast, medium and slow growth rates. Plants that have similar growing requirements shall be grouped.
- Inert ground covers shall not exceed 25% of landscape area and shall be composed of grey or brown colors.
- All landscape areas shall be maintained in a neat and attractive condition. Minimum requirements include replacing dead or dying plant material, mowing, pruning, regular fertilizing, watering and general clean-up.

- Plant species produce falling fruit shall not be located adjacent to paved areas.
- Irrigation systems shall be designed to provide complete and adequate coverage (taking into consideration wind patterns and other disruptive factors) while using water conserving methods.

GUIDELINES

- Plant species that can survive on low to moderate amounts of irrigation are favored.
- Species of plants should be massed or spaced to provide a simple, uncluttered look.
- A blend of evergreen and deciduous trees, shrubs and ground covers should be used to provide year-round visual interest.
- Use of vegetative ground cover is preferred over inert mulches.
- Site landscaping, walls, fences, sidewalks and pathways play an integral role in design. Colors and materials should be complementary to finishes of the adjoining buildings and such detailing should be considered in the final design.
- All planting areas should have automatic irrigation systems with backflow prevention per City of Reno code.
- Irrigation systems should be water efficient and require low maintenance.

MALL BUILDINGS

STANDARDS

• When practical, the minimum planter depth in front of a new mall building shall be ten (10) feet, excluding service areas. When new mall/department store building(s) are located adjacent to the ring road, the minimum planter depth shall be fifteen (15) feet, excluding service areas. Service areas shall conform to the standards for screening on page 2-22. Entries shall comply with the standards for entries on page 2-18. Refer to Figures 2-11A and B Typical Landscape Treatment Adjacent to Mall Building on page 2-16 and 2-17.

MEADOWOOD MALL

- Minimum deciduous tree size shall be two (2) inch caliper; minimum evergreen tree size shall be 50% six (6) feet in height and 50% eight (8) feet in height.
- Trees shall be planted at a rate of one (1) tree per 30 lineal feet of building façade, exclusive of accessways, allowing for groupings and clustering.
- Adjacent to the mall building, there shall be a mix of 50% deciduous trees and 50% evergreen trees.
- Minimum vegetative ground cover shall be 50% coverage at installation.

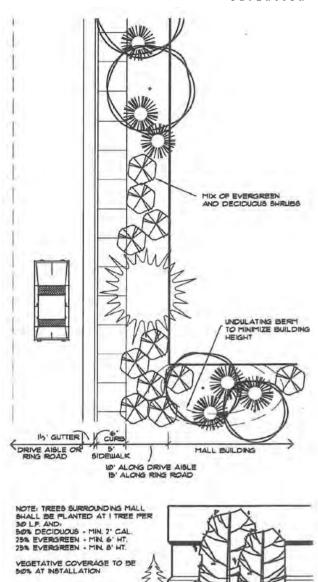
GUIDELINES

- Plantings along buildings should be placed to enhance the architecture.
- Clustering or grouping of plant materials creates interest and variety, enhancing the architecture of the Mall buildin and should be encouraged.

PARKING LOTS/PARKING STRUCTURES

STANDARDS

- Minimum planter size for Parking Lots: New planters along the "ring road" shall have a minimum width of fifteen (15) feet, allowing for canoe and similar shape planters, with trees planted at a minimum rate of one (1) tree per 30 lineal feet of frontage, exclusive of accessways. Within new surface parking lots, the minimum planter size shall have a minimum nine (9) feet inside dimension unless special provisions are made for protection of the tree from bumpers and special aeration techniques are used upon approval by the City Landscape Architect. New parking lots shall meet the requirement of one tree per fourteen (14) parking spaces. Refer to Figure 2-12 Typical Landscape Treatment in Parking Lots and Adjacent to Ring Road on page 2-18.
- The perimeter landscaping for new surface parking lots, parking structures and mall buildings adjacent to Ring Road shall include 33% oversized deciduous trees at three (3) inch caliper trees and remainder two (2) inch caliper for deciduous trees. In these areas, the mix of tree types



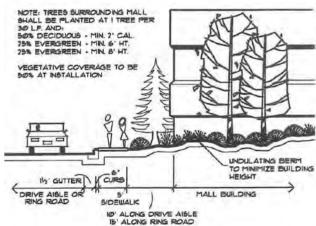


FIGURE 2-11A TYPICAL LANDSCAPE TREATMENT
ADJACENT TO MALL BUILDING

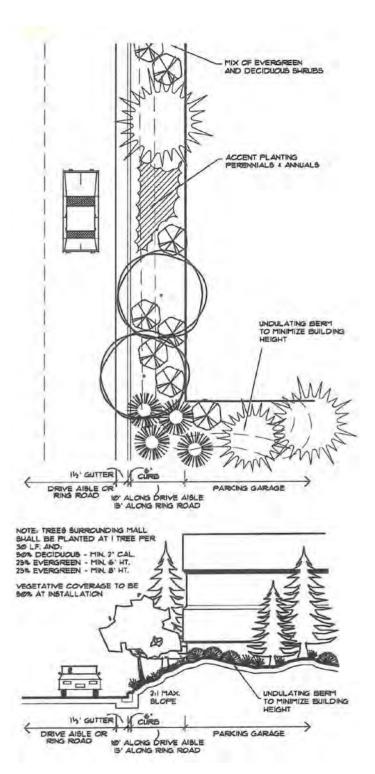
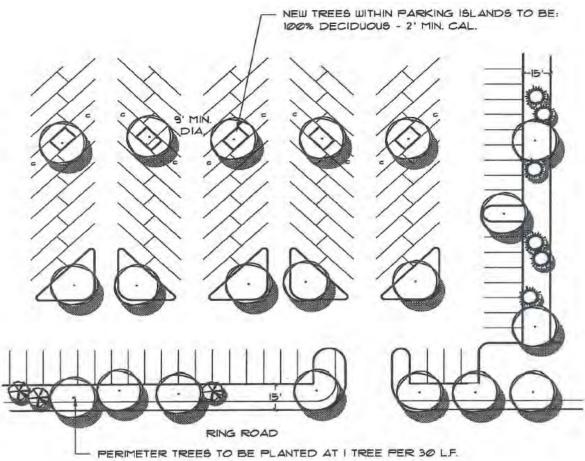


FIGURE 2-11B TYPICAL LANDSCAPE TREATMENT
ADJACENT TO MALL BUILDING

shall be 60% deciduous and 40% evergreen. Evergreen trees shall be 50% eight (8) feet in height and 50% six (6) feet minimum height.

- With the first expansion, the vacant areas located adjacent to the northeast side of Ring Road (at the intersection of Neil Road and McCarran Boulevard) shall be improved with a minimum of fifteen (15) feet of landscaping. Refer to Area A in Figure 2-13 on page 2-19.
- With the first expansion, the developer shall install all of the missing trees in parking lot planters shown as Area B in Figure 2-13, Areas for Landscaping on page 2-19.
- With the first expansion, the developer shall install a minimum of fifteen (15) feet of landscaping per the perimeter landscape standards in this handbook. Refer to Area C as shown on Figure 2-13, Areas for Landscaping on page 2-19.
- The vacant area located southeast of Ring Road shall be landscaped in accordance with the perimeter landscape standards in this handbook at such time as this parcel is developed/improved. Refer to Area D as shown on Figure 2-13, Areas for Landscaping on page 2-19.
- Within parking lot islands, trees shall be 100% two (2) inch caliper deciduous. In lineal planters or canoe planters, there shall be a mix of 60% deciduous trees and 40% evergreen trees.
- Minimum planter size for Parking Structures:
 Landscaping in front of parking structures shall be a minimum width of ten (10) feet and fifteen (15) when adjacent to Ring Road. Trees shall be planted at a maximum spacing of one (1) tree per 30 lineal feet of frontage. Refer to Figure 2-14 Typical Landscape Treatment Adjacent to Parking Garages on page 2-20.
- Adjacent to parking structures, there shall be a mix of 40% deciduous trees and 60% evergreen trees. The minimum tree size shall be two (2) inch caliper for deciduous trees and six (6) feet in height for evergreen trees.
- Unless deemed impractical by staff, the areas at the ends
 of parking rows of surface lots shall be landscaped with
 trees and ground covers, in accordance with these
 standards.



IN FORMAL ROWS OR GROUPINGS. 33% TO BE OVERSIZED AS FOLLOWS: 60% DECIDUOUS - 3' MIN. CAL. 40% EVERGREEN - 8' MIN. HT. REMAINDER TO BE:

60% DECIDUOUS - 2' MIN. CAL. 40% EVERGREEN - 6' MIN. HT.

FIGURE 2-12 TYPICAL LANDSCAPE TREATMENT IN PARKING LOTS AND ADJACENT TO RING ROAD

GUIDELINES

- Parking lot landscaping should be organized to break up a lot into smaller visual sections, to reinforce circulation patterns and to relate to the building's architecture.
- To avoid creating ice hazards in pedestrian areas, care in the final placement of evergreen trees should be taken.

MALL BUILDING/VEHICULAR ENTRIES AND **PUBLIC OPEN SPACES**

STANDARDS

- Minimum deciduous tree size shall be three (3) inch caliper; minimum evergreen tree size shall be ten (10) feet in height for public open spaces.
- There shall be a mix of 60% deciduous trees and 40% evergreen trees, with one (1) tree provided for every 300 square feet of planter area, and a minimum of one (1) tree per planter.

MEADOWOOD MALL



FIGURE 2-13 AREAS FOR LANDSCAPING

MEADOWOOD MALL

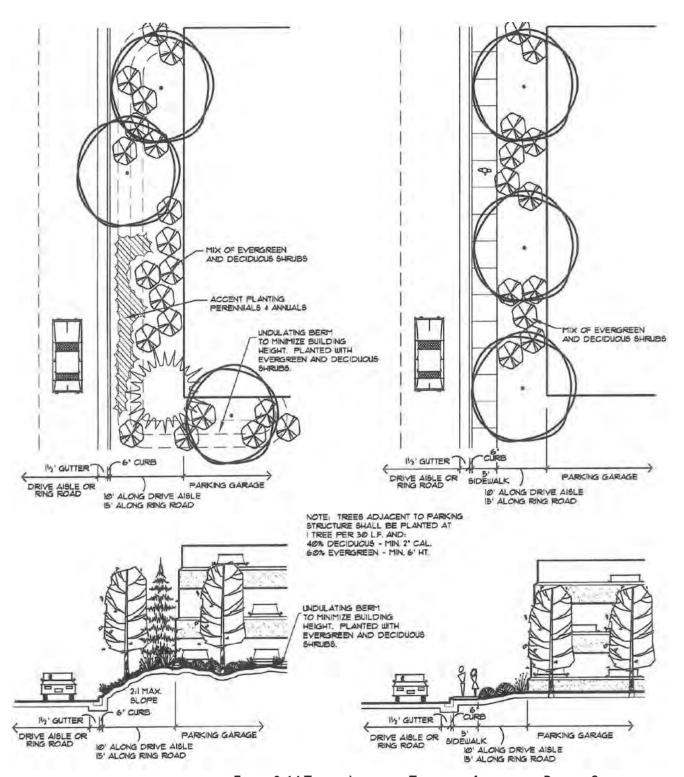


FIGURE 2-14 TYPICAL LANDSCAPE TREATMENT ADJACENT TO PARKING GARAGES

- FIGURE 2-15A TYPICAL FOCAL MALL BUILDING ENTRY LANDSCAPE TREATMENT
- There shall be 65% vegetative coverage at time of installation, including trees, shrubs, and ground covers.
- Entries shall incorporate decorative paving such as stamped concrete, stone, or brick which are compatible with the Mall Building, as shown in Figure 2-15A Typical Focal Mall Building Entry Landscape Treatment on this page. Figure 2-17 Conceptual Vehicular Entry Landscape Treatment on page 2-24 illustrates vehicular entry to the mall.
- These structures shall apply to the public open spaces and focal entries as discussed on page 2-3.
- The use of public art shall be required to create a focal point or interest in courtyards and/or plazas. Public art as

defined in RMC 18.15.020 can be installed both inside and outside of the mall. Public art shall be provided at a rate of .5% of the gross cost of each expansion. A reasonable deviation above or below the required .5% rate may be approved by staff with an expansion phase, provided .5% of the gross cost of the 1,000,000 square foot expansion is achieved.

GUIDELINES

 Selection, design and location of site furnishings should depend upon their function and aesthetic contribution to their surroundings at entries or courtyards/plazas. Site furnishing designs should be integrated with other site elements (i.e., walls, lighting, signage, etc.).

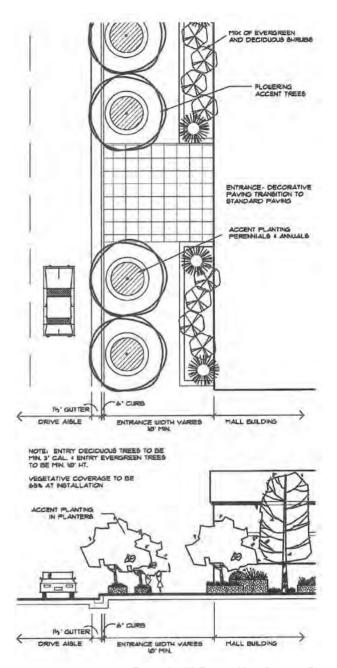


FIGURE 2-15B TYPICAL MALL BUILDING ENTRY

LANDSCAPE TREATMENT

• The use of accent planting such as perennials, annuals and small accent trees should be considered in design.

SCREENING FOR SERVICE/LOADING AREAS

STANDARDS

- Screening for service/loading areas shall be either:
 - A six to twelve (6-12) foot tall solid masonry wall as required to screen truck docks or dumpsters located adjacent to a five (5) foot wide landscape planter which includes 40% deciduous trees and 60% evergreen trees planted at a rate of one (1) tree per 30 lineal feet with five (5) evergreen shrubs planted at a minimum size of five (5) gallons for each required deciduous tree. Refer to Figure 2-16 Examples of Service and Loading Area Screening on page 2-23; or
 - A two foot berm with a 3:1 maximum slope located adjacent to a minimum twelve (12) foot wide planter which includes 40% deciduous trees and 60% evergreen trees planted at a rate of 1 tree per 20 lineal feet and shrubs planted to visually screen 80% of the service/loading areas within three (3) years after installation. Refer to Figure 2-1 Examples of Service and Loading Area Screening on page 2-23.

GUIDELINES

- Landscape screening for trash enclosures should match the service/loading area screening.
- Evergreen trees are the preferred tree for screening and should be used in mass.
- Plants that provide effective year-round screening, such as evergreens that branch close to the ground, should be used.

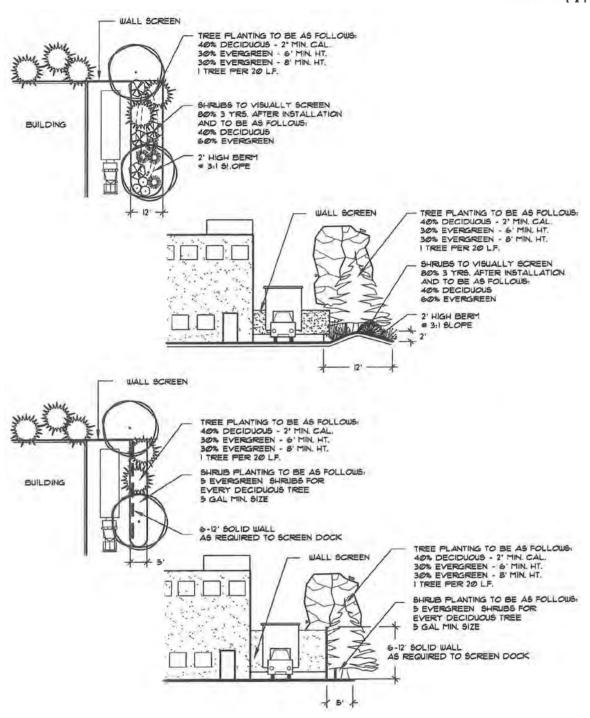


FIGURE 2-16 EXAMPLES OF SERVICE AND LOADING AREA SCREENING

MEADOWOOD MALL

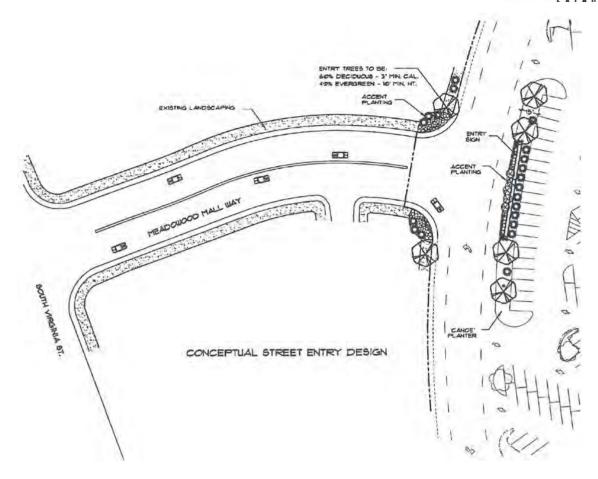


FIGURE 2-17 CONCEPTUAL VEHICULAR ENTRY LANDSCAPE TREATMENT

SIGNS

INTENT

To provide for a cohesive, coordinated overall sign program for Meadowood Mall.

To create signs that fit with the design and scale of the architecture of the building on which they are attached.

To create an organized and interrelated system of signs, sign structures and graphics.

To use high quality, durable materials appropriate to an urban setting.

To locate signs so that they are appropriately scaled and

GENERAL STANDARDS

easy to read from primary approaches.

- These sign standards apply to exterior signs that are visible from streets, parking lots and parking garages.
- Individual tenant shops will not be permitted to display signs on the exterior of the building facing parking lots or parking structures.
- Mall stores that (i) exceed 25,000 square feet of GLA; or (ii) that have an exterior façade; or (iii) are located within freestanding buildings will be permitted to have exterior signs.



- Restaurants that have an exterior façade are located within a freestanding building, and/or remain open for business after mall hours will be permitted to have exterior signs.
- Signs and Building Design Permitted wall and/or freestanding ground signs shall fit within and/or be accommodated by the architectural features of the façade, and shall complement the building's architecture.
- Electrical Service All conduits, bus bars, transformers and other elements of electrical service shall be concealed from external view, or integrated into the design of the sign.
- Sign lighting Sign lighting shall be coordinated with any significant building lighting.
- Prohibited signs and sign components:
 - o Sign manufacturer's name, stamps or decals.
 - o Signs with painted letters.
 - Sign employing unedged or uncapped plastic letters with no returns.
 - o Paper, plastic or cardboard signs.
 - O In addition, stickers or decals are limited to the entry door area only, shall be no larger than seven inches in width or length, with a maximum size of one square foot in area, and only one per door. Logos and/or identification signs painted on glass doors or glass side panels are acceptable, and are limited by the same standards for stickers and decals.



FIGURE 2-18 KEY TENANT IDENTITY WALL SIGN

GENERAL GUIDELINES

 Sign Typography -Sign typeface should be simple, legible and well proportioned. Appropriate signs should be designed to be legible for both the pedestrian and for a person in a moving vehicle. Legibility should be related to the primary intended viewer.

WALL SIGNS

INTENT

To integrate wall and window signs with the architecture of the building.

To coordinate the location, design and illumination of multiple signs on a building.

STANDARDS

- Preferred Sign Type Individual back-lit, shadow box "halo" channel letter/logos; internally illuminated individual channels letters/logos with translucent faces; or externally lit cut-out letters/logos are preferred for the main store wall signs. Refer to Figure 2-18 Key Tenant Identity Wall Sign on this page.
- Cabinet Signs Cabinet signs shall be prohibited. Refer to Figure 2-18 Key Tenant Identity Wall Sign on this page.
- Exterior Wall Mounted Signs shall have a maximum letter height:
 - Signs for tenants exceeding 30,000 square feet shall not exceed seventy-two (72) inches in overall height.
 - Signs for Individual Mall Tenants (i) between 25,000 square feet and 30,000 square feet of GLA; (ii) with exterior façades, or (iii) located within freestanding buildings shall not exceed thirty (30) inches in overall height.
- No sign shall extend free of the building surface or be constructed above the parapet line of the building. Signs or sign structures may extend beyond the parapet line of the building as an architectural feature if approved via the Site Plan Review process in accordance with RMC 18.16.401, as amended.



GUIDELINES

 Externally Lit Signs - Sign illumination external to the sign is acceptable so long as the light source is shielded or concealed from direct view of pedestrians and/or motorists, and the light fixture and its structure is well designed.

GROUND SIGNS

GROUND SIGNS

To allow ground signs as an alternative sign type for Mall or business identification, regulatory and directional signs.

To encourage ground signs to be complementary to the character of the buildings which they serve, and to provide a consistent overall identity for Meadowood Mall.

To coordinate ground signs with low walls, landscaping and other elements to define the sign's location, and to maintain good sign visibility.

To use ground sign(s) without sacrificing the advertising and informational effectiveness of the signs.

STANDARDS

- Ground sign supports shall be designed as either:
 - o a wall form which is created by the sign itself ("pedestal" or "monument" sign).
 - a wall on which (or on top of which) the sign is mounted.

- o specially designed column(s) or other vertical elements that are part of the overall sign design.
- Ground signs for individual buildings or mall tenants located inside of Ring Road shall not be allowed. Individual buildings located outside of Ring Road shall be permitted to have ground signs that conform to the Meadowood Mall identity ground sign standards for eight (8) foot tall monument signs contained herein; and limited to one ground sign per street frontage, with a maximum of two (2) total ground signs.
- Meadowood Mall identity sign(s) shall be allowed to a maximum height of eight (8) feet for a monument sign or thirty (30) feet for a vertical monument sign. The maximum lettering height shall be thirty-six (36) inches. The sign style shall be consistent with Mall Architecture. Refer to Figure 2-19 Conceptual Mall Identity Monument Sign on this page and figure 2-20 Existing Mall Identity Monument Sign on page 2-27.
- Interior Ring Road Directional Signs Maximum size shall be eight (8) square feet (two (2) feet in height by four (4) feet in width) with a maximum height of five (5) feet. Refer to Figure 2-21 Examples of Directional Signs on page 2-27.
- Ring Road Directional Signs Maximum size shall be thirty (30) square feet (six (6) feet in height by five (5) feet in width) with a maximum height of eight (8) feet. These signs shall be limited to a maximum of six (6) on R ing Road, unless it can be demonstrated to the administrator that additional signs are necessary to provide adequate on-site circulation. Refer to Figure 2-21 Examples of Directional Signs on page 2-27.
- Regulatory Signs Shall be in accordance with the Manual of Uniform Traffic Control Devices (M.U.T.C.D.).





FIGURE 2-19 CONCEPTUAL MALL IDENTITY

MONUMENT SIGNS

MEADOWOOD MALL

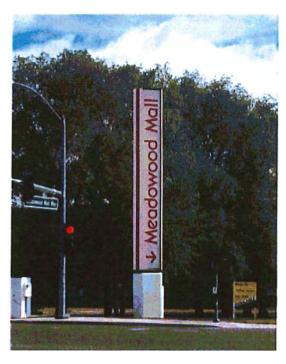


FIGURE 2-20 EXISTING MALL IDENTITY

MONUMENT SIGN

GUIDELINES

- Ground sign supports which are simple posts or poles shall be avoided.
- Directional and Regulatory Signs should be located in landscaped areas with clear sight lines. Signs should be located at key directional decision points. Materials should have a consistent design scheme and can be made of aluminum or fiberglass panels with polyurethane finish and silk-screened graphics.

OTHER SIGN TYPES

STANDARDS

Signs on Canopies, Marquees, and Awnings - Such signs shall be permitted only for the following conditions. Refer to Figure 2-22 Signage on Awning on page 2-28.

- located only on canopies, marquees and awnings provided for the ground floor of the building;
- located only on the front of an awning (either on a surrey sash, or on a front facing sloped plane no greater than 18:12, but not on both) and not on the side return panels or side surrey sashes.

- may not be located on a vertical plane of an awning unless such plane is a surrey sash no greater in height than 8 inches, or is the front facing panel on an awning designed to provide weather protection for an entry.
- no larger than 10% of the awning area, not including the area of the side return panels.
- back-lit awnings, where the awnings are translucent and intended to glow, are prohibited, whether or not they contain signs.
- canopy and awning signs shall be confined to the surrey sash along the bottom of the awning or on the front facing panel of entry canopies. Refer to Figure 2-22 Signage on Awnings on page 2-28.

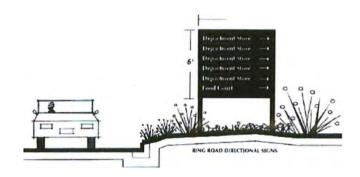




FIGURE 2-21 EXAMPLES OF DIRECTIONAL SIGNS

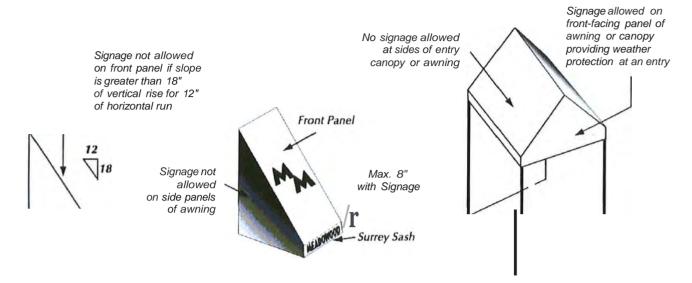


FIGURE 2 - 22 SIGNAGE ON AWNINGS

INFRASTRUCTURE - PUBLIC AND PRIVATE IMPROVEMENTS

INTENT

To assure the design and construction of quality infrastructure/public/private improvements.

STANDARDS

- All design and construction shall conform to applicable City of Reno and Nevada Department of Transportation standards and specifications.
- Prior to the issuance of any permit, the applicant shall have an encroachment permit from N.D.O.T. for any facility encroaching upon state right-of-way and for any drainage disposal on the state right-of-way.
- All on-site private improvements shall be certified to the Community Development Department.
- Prior to the issuance of any building permit, the applicant shall have approved plans for the collection of on-site storm water for the 5-year frequency storm and piping to an adequate public storm drain system and for the disposition of the 100 year storm.
- Access, circulation, parking device location and design shall be subject to the approval of the Community Development Department. Site-related access improvement requirements will be identified at the time of the site plan review.

- Prior to the issuance of any building permit, the applicant shall submit a sewerage report to the approval of the City Engineer to verify downstream line capacity.
- Prior to the issuance of any building permit, the applicant shall retain a project engineer for inspection, testing and verification of public improvements and provide an inspection and testing letter in compliance with R.M.C. 11.08.080(c)(l)c.
- Prior to the issuance of any building permit, the applicant shall have drawings for all public improvements approved by the Community Development Department.
- Prior to the issuance of any certificate of occupancy, the applicant shall construct to City standards, and have verified by the Engineer of Record, all public improvements.
- Applicable excavation/encroachment permits for work within City rights-of-way are required.
- Prior to the issuance of any building permit for additional development beyond a cumulative site total of 1,250,000 square feet GLA, the Nevada Department of Transportation or Regional Transportation Commission shall have awarded a contract for the construction of a new freeway interchange at the extension of Meadowood Mall Way with I-580/U.S. 395. If the contract for the interchange is not awarded after

1,250,000 square feet, the balance of the project will be subject to a new traffic study addressing traffic impacts without the interchange for consideration by Planning Commission and City Council, including alternative traffic improvements.

- Prior to the issuance of any building permit or additional development beyond a cumulative site total of 1,550,000 square feet GLA, the Reno City Planning Commission shall make a determination that planned and scheduled major regional roadway improvement, in addition to project traffic mitigations, are consistent with area growth and development traffic needs and continued expansion of the Meadowood Mall.
- With each site plan review application, traffic improvement design information shall be submitted as required by the Nevada Department of Transportation, Regional Transportation Commission and City of Reno.
- Roadway and intersection improvements the developer has agreed to provide to mitigate project traffic impacts are listed in Table 2-1 on page 2-31 of the SPD Handbook, together with a schedule for completion of those improvements concurrent with phases of development. As the listing includes some projects on regional roadways, the construction of such improvements may be undertaken by the Nevada Department of Transportation, Regional Transportation Commission or the City of Reno.
- The developer may apply to the Regional Transportation Commission Impact Fee Administrator for Regional Road Impact Fee System credits for the construction of those roadway and intersection improvements listed in Table 2-1 which benefit the regional road system. Credits may be granted, consistent with provisions of the Regional Road Impact Fee System General Administrative Manual. Phases of development which exceed a cumulative total development on the site of 1,050,000 square feet GLA are subject to the payment of regional road impact fees.
- Prior to the issuance of each building permit, the applicant shall have approved a construction staging plan to address hours of construction operation, truck traffic and street cleaning, to the approval of the Community Development Department. Prior to the issuance of any certificate of occupancy, the applicant shall repair or reconstruct, as directed by the City, streets or portions thereof, used and damaged by construction staging and access.

SUMMARY AND CONCLUSIONS OF THE TRAFFIC IMPACT ANALYSIS REPORT

This study was undertaken to analyze the potential traffic impacts of an expansion of the Meadowood Mall project. The following summarizes the results of this analysis:

- A total of 19 intersections were analyzed within the study area for this project. Two of the 16 existing analyzed locations (Kietzke Lane/Del Monte Lane and South Virginia Street/McCarran Boulevard) currently operate at LOS D and F, respectively, during the PM peak hour. All the other intersections currently operate at LOS C or
- All of the 5 intersections analyzed for Saturday midday currently operate at acceptable LOS (LOS C or better) and are lower than the weekday afternoon peak hour LOS.
- Of the 41 roadway segments analyzed in this study, only one segment (southbound South Virginia Street between US 395 NB on-ramp and US 395 SB off-ramp) is currently operating at LOS F in the PM peak hour. All the other roadway segments are currently operating at LOS D or better.
- In the year 2015, future cumulative base conditions, three intersections will be operating at LOS E or worse. They include the South Virginia Street/McCarran Boulevard (LOS F), Smithridge Drive/McCarran Boulevard (LOS E) and Neil Road/McCarran Boulevard (LOS F) intersections. All other intersections will operate at LOS C or better.
- Of all the roadway segments analyzed in the year 2015 future cumulative base conditions, three segments will operate at LOS E. They include the South Virginia Street segment between US 395 NB on-ramp and McCarran Boulevard in the northbound direction, McCarran Boulevard segment west of Kietzke Lane in the westbound direction, and McCarran Boulevard between South Virginia Street and Meadowood Mall Link in the westbound direction.



- The proposed project will add up to 1,000,000 square feet of GLA. The estimated additional trips generated by the expansion project will be approximately 22,510 daily trips with about 1,980 trips occurring during the weekday evening peak hour.
- A project mitigation program is defined to include physical improvements at seven study intersections and two segments.
- Analysis of the Cumulative Plus Project conditions, representing year 2015 future conditions with the proposed project and improvements, indicates that four intersections will operate at LOS F in the year 2015. These include the Neil Road/McCarran Boulevard, Neil Road/Neil Way, South Virginia Street/Meadowood Mall Way and South Virginia Street/McCarran Boulevard intersections. However, the intersections will still be operating at their respective adopted LOS standards with the proposed project improvements. Thus, there will not be any significant traffic impacts due to the project.
- Year 2015 link capacity analysis within the study area also reveal that all the segments will be operating at or better than their adopted LOS standards as detailed in the Regional Road Impact Fee Ordinance, indicating that there will be no significant project traffic impacts with the proposed improvements.
- In implementing the project mitigation program, the cost to implement the off-site intersection and roadway improvements that accommodate regional traffic growth may be eligible for credit against the project's share of the Regional Road Impact Fee.
- Land use growth between the years 2015 and 2030 will result in significant growth in north/south traffic flows through the study area.
- As a result of long range traffic growth projections, year 2030 background conditions will require additional improvements beyond the year 2015 CIP roadway system. Five key intersections will require additional physical improvements. After the addition of the Meadowood Mall expansion project traffic, along with its mitigation program, all but four of the study intersections will meet the year 2015 CIP LOS targets even under year 2030 traffic conditions.

 The long-range traffic analysis results show that with or without the Meadowood Mall expansion, year 2030 traffic levels will require additional roadway improvements beyond the year 2015 CIP in order to maintain the current LOS targets.



| CUMULATIVE ADDITIONAL DEVELOPMENT(SF) | CUMULATIVE TOTAL DEVELOPMENT (SF) | DESCRIPTION OF ROADWAY/INTERSECTION IMPROVEMENTS |
|--|--------------------------------------|--|
| 153,722 | 1,050,000 | Entitlement currently available at the mall site. |
| | | South Virginia St./McCarran Blvd. Intersection: Provide second northbound left turn lane on South Virginia Street. |
| 253,722 | 1,150,000 | South Virginia St./Meadowood Mall Way Intersection: Widen westbound approach of Meadowood Mall Way at the South Virginia St intersection to provide an exclusive left-turn lane, two through lanes, and a separate right turn lane. |
| 353,722 | 1,250,000 | Neil Road/Neil Way Intersection: Provide a signal or a roundabout. South Virginia St./Meadowood Mall Way Intersection: Provide second southbound left-turn lane on South Virginia Street. |
| 453,722 | 1,350,000 | McCarran Bl/Meadowood Mall Link Intersection: Provide a free- flowing right-turning lane from McCarran Bl eastbound to Meadowood Mall Link southbound (inbound to the Center). |
| 553,722 | 1,450,000 | Neil Road/McCarran BI Intersection: Restripe Neil Road as 2 lanes northbound. Widen NB approach to provide dual left-turn lanes, a through-lane and a right-turn lane. The inner lane on Neil Road will be a left-turn only lane. Restrict on-street parking on Neil Road between McCarran BI and Neil Way on both sides. Restripe southbound Neil Road to two lanes with the curb lane being a 'trap lane' for right-turns in only at Neil Way. |
| 653,722 | 1,550,000 | South Virginia St/Neil Road-Del Monte Intersection: Provide a second left-turn lane on eastbound Del Monte at South Virginia St. |
| 803,722 | 1,700,000 | Del Monte Lane between South Virginia St & US 395 NB on-off ramps: Widen eastbound Del Monte Lane to three lanes. Del Monte Lane/US 395 NB off-ramp Intersection: Provide free-flow right-turn lane from US 395 NB off-ramp to Del Monte Lane eastbound. |
| 1,000,000 | 1,896,278 | Meadowood Mall Link widening and McCarran Bl/Meadowood Mall Link Intersection: Widen Meadowood Mall Circle to three lanes in the northbound direction between Loop Road and McCarran Bl. At the northbound Meadowood Mall Link approach to McCarran Bl., provide dual left-turn lanes, a through lane and a free-flowing right-turn lane. |

TABLE 2-1 RECOMMENDED ROADWAY IMPROVEMENTS



APPENDICES



DEFINITIONS

The following defines words and terms used throughout the Meadowood Mall Development Standards Handbook. Any words or terms used in the Meadowood Mall Development Standards Handbook which are not defined in this Handbook will have the meaning ascribed in the Reno Municipal Code.

Administrator means the planning director or other agent of the Planning Commission acting in a capacity as zoning administrator.

Accent Tree means a tree including deciduous, evergreen and palm, whose distinctive heaf or flower color draws attention to site features or warns of potential conflicts at intersections and project entries.

Building Height means the vertical distance from the finished ground level floor elevation to the ceiling line of the topmost floor.

Canopy Tree or Shade Tree means a tree, typically deciduous, whose leaf pattern and branching pattern displays characteristics of near equal height and width, providing shade. The mature height is generally *over* 30 feet in height.

Department Store means a minimum of 80,000 square feet of retail gross leasable area offering a wide variety of merchandise and services organized in separate departments.

Evergreen Tree means a tree which retains its needles or leaves year round in a living condition.

Floor Area has same meaning as Gross Leasable Area.

Gross Building Area is the actual number of square feet of enclosed floor space of all floors in any existing or new building improvements located on the property as shown in Figure 1-2 Existing Site on p age 1-3 in the Development Standards Handbook within the interior faceline of the exterior walls.

Gross Leasable Area (GLA) is the actual number of square feet or enclosed floor space of all floors in any existing or new building improvements located on the property as shown in Figure 1-2 Existing Site on page 1-3 in the Development Standards Handbook (excluding basement space, subterranean areas, and balcony, and mezzanine space) within the interior faceline of the exterior walls; provided, however, that "Gross Leasable Area" shall not include any of the following:

- (i) areas which are used exclusively to house mechanical, electrical, telephone, HVAC and other such equipment, including any computer equipment, any garbage (or other waste) collecting area or waste baling or compacting area, in each case whether or not physically separated or otherwise required by, building codes;
- (ii) any area designated for the parking of motor vehicles, whether contained in enclosed or partially enclosed structures or on roofs, whether above, below or at grade, and whether contained in single or multilevel structures;
- (iii) any outside areas (including those covered by canopy, awning or other protective cover and which sides are generally unwalled) which is permitted to be and is used for exterior restaurant seating or similar purposes;
- (iv) second or above of any multi-deck stock areas;
- community and meeting rooms, public restrooms, any police mini- or substation, any not-for-profit customer-oriented childcare center or child play area, and other similar areas designed to serve the general public as patrons of the Shopping Center;
- (vii) truck loading area, truck tunnels and truck parking, turnaround and dock areas and ramps and approaches thereto;
- (vii) all malls including kiosks and other incidental structures within any mall; and
- (viii) emergency fire and service corridors and all common area located within building improvements, including, without limitation, all malls, restrooms, pedestrian walkways, stairways, escalators and elevators: and all other similar areas not located within any store.



REA is the Construction, Operation and Reciprocal Easement Agreement, dated as of July 14, 1977, recorded under Instrument No. 475769 in Book 1104, commencing on Page 1, in the Official Records of Washoe County, State of Nevada, as heretofore or hereafter amended.

Ring Road is the private road encircling the principal portion of the shopping center.

RMC is the abbreviation for the City of Reno Municipal Code.

PUE is the abbreviation for the Public Utility Easement.



LANDSCAPE PALETTE

LARGE SHADE TREES

Maple Acer sp.

Catalpa speciosa Northern Catalpa Celtis occidentialis Hackberry

Fraxinus sp. Ash Gleditsia traincantos 'inermis' Thornless Honevlocust

London Plane Tree Platanus acerifolia Scarlett Oak Ouercus coccinea Ouercus macrocarpa Bur Oak Chinkapin Oak Ouercus muehlenbergii Ouercus robur English Oak

Robinia pseudoacacia 'Purple Robe' Black Locust

EVERGREEN TREES

Cedrus atlantica glauca Blue Atlas Cedar Deodor Cedar Cedrus deodara Cercocarpus sp. Mt. Mahogany Tree Juniper Juniperus sp. Picea sp. Spruce

Pinus edulis Two Needle Pinyon Single Leaf Pinyon Pinus monophylla Pinus nigra Austrian Pine Pinus ponderosa Ponderosa Pine Pinus sylvestris Scotch Pine

MEDIUM-SMALL DECIDUOUS TREES **ACCENT**

Maple Acer sp. Amelanchier sp. Serviceberry Cotinus coggygria Smoketree Hawthorne Crataegus sp. Eleagnus angustifolia Russian Olive Koelreuteria paniculata Golden Rain Tree Laburnum x watereri Golden Chain Tree Malus sp.

Crabapple Prunus sp. Flowering Cherry Pyrus calleryana Et. Al. Ornamental Pear Quercus gambelii Gambel Oak Robinia idahoensis Idaho Locust

Sorbus aucuparia Et. Al. European Mt. Ash Syringa reticulata Japanese Tree Lilac

EVERGREEN SHRUBS

Arctostaphylos patula Greenleaf Manzanita Broom

Cytisus sp. Cotoneaster sp. Cotoneaster Cotoneaster dammeri Bearberry Desert Lily Eremurus sp. Juniperus chinensis Juniper

Dwarf Mtn. Juniper Juniperus communis saxatilis

Juniperus sp. Many Mahonia aquifolium Oregon Grape Paxistema myrsinites Oregon Boxwood Picea abies Nidiformis Nest Spruce Pinus mugo mugo Dwarf Mugo Pine Pinus mugo pumilio Shrubby Swiss Pine

Pyracantha coccinea Pyracantha Yucca Yucca sp.

DECIDUOUS SHRUBS

Artemisia fridgida Fringed Wormwood Artemisia schmidtiana Silver Mound Berberis mentorensis Mentor Barberry Berberis thunbergii Japanese Barberry Butterfly Bush Buddiea davidii Caragana sp. Siberian Peashrub Cotoneaster sp. Cotoneaster Euonymus alatus Winged Euonymus New Mexico Privet Forestiera neomexicana Hibiscus syriacus Rose of Sharon Holodicus discolor Ocean Spray Perovskia atriplicifolia Russian Sage Philadelphus lewisii Mock Orange

Prunus bessevi Sand Cherry

Rhus glabra cismontana Dward Smooth Sumac Ribes aureum Golden Currant Ribes cereum Squaw Currant Austrian Copper Rose Rosa foetida bicolor Snowberry, Coralberry Symphorocarpus

Ninebark

Potentilla

Syringa vulgaris Lilac

Viburnium tinus Leatherleaf Viburnum

GROUNDCOVER/VINES

Physocarupus sp.

Potentilla sp.

Ajuga reptans Ajuga Antennaria dioca Pussy Toes Arabis caucasica Wall Rockress

Arctostaphylos uva ursi Campsis radicans Clematis iackmanii Clematis langutica Clematis orientalis Convallaria majalis Cotoneaster dammeri Euonymus fortunei Hedera helix Hypericum repens Juniperus sp. Lavandula sp. Lonicera japonica Lysimachia numularia Mahonia repens

Parthenocissus quinquefolia Phlox subulata Polygonum auberti Potentilla sp.

Santolina chamaecyparissus

Sedum sp. Stachys lanata Thymus serpyllum Thymus vulgaris Vinca major Vinca minor

Vitis arizonica Zauschneria californica

Kinnikinnick Trumpet vine Jackman Clematis Golden Clematis Oriental Clematis Lily-of-the-Valley Bearberry Winter Creeper **English Ivy**

St. Johns Wort Juniper (many) Lavender Honeysuckle Moneywort

Creeping Oregon Grape

Virginia Creeper Creeping Phlox Silver Lace Vine

Potentilla Lavender Cotton

Sedum Lamb's Ears Thyme

Common Thyme Periwinkle

Dwarf Periwinkle Arizona Grape California Fuschia Iberis sempervirens Iris sp. Kniphofia sp.

Lathyrus latifolia Lavandula officinalis

Linum sp.

Lysimachia panctata Monardella odoratissima

Oenothera speciosa Papaver oriental Penstemon sp.

Rudbeckia sp. Santolina chamaecyparis

Zinnia grandiflora

Candytuft Iris Hot pokers Sweet Pea Lavender Flax Moneywort Mountain Lavender Mexican Evening Primrose

Oriental Poppy Penstemon Gloriosa Daisy Lavender Cotton Rocky Mountain Zinnia

TURF GRASS

Festuca sp. Poapratensis Fescue Kentucky Bluegrass

PERENNIALS

Achillea filipendulina Aegopodium podagraria

Aster spp. Aubrietia deltoidea Aurinia saxatilis Centranthus sp. Cerastium tomentosum

Chrysanthemum coccineum Chrysanthemum maximum Chrysanthemum parthenium Coreopsis lanceolata Coreopsis verticillota

Dianthus deltoides Echinacea purpurea Echinops exalta Erigeron speciosus Gaillardia sp.

Hemerocallis sp.

Dianthus barbatus

Fernleaf Yarrow Bishops Weed

Aster Aubrietia Basket of Gold Jupiters Bear Snow in Summer Painted Daisy Shasta Daisy Feverfew Coreopsis Coreopsis Sweet William Maiden Pink

Purpose Cone Flower Globe Thistle Sugarloaf Blanket Flower

Daylily



DEVELOPMENT STANDARDS COMPLIANCE CHECKLIST

This checklist must be submitted with an application for any building permit for Meadowood Mall Expansion. Name of Project: Developer: _____ Developer's Agent: Address: Phone: _____ The following items are required for review by the Community Development Department prior to obtaining a building permit. FOR PROPOSED DEVELOPMENT: Site Plan Review Approval Letter from City of Reno indicating conformance of the proposed project with the SPD Development Standards Handbook. A minimum of three (3) copies of the building plans stamped and signed by the master developer certifying that the plans are in conformance with the SPD Development Standards Handbook. Note: The City of Reno may require changes to the plans after submittal. The project developer must notify the Reno Community Development of any such required changes prior to obtaining a building permit for his project. This process does not relieve the project developer from the responsibility for obtaining all necessary review and approval of these changes from the master

developer.

PROJECT:

| | Site Plan illustrating: |
|----|--|
| | □ structure locations |
| | □ access from access street(s) |
| | □ setbacks |
| | □ location of signs |
| | parking areas (with number of regular and handicap spaces indicated) with parking ratios noted |
| | List of Architectural Features |
| | Landscape and irrigation plan (on-site and any required perimeter landscaping) per Development Standards Handbook |
| | Full color architectural elevations (all sides of proposed buildings) with construction materials and building heights noted |
| | Sign calculations – type, size, location |
| | Outdoor lighting plan |
| LL | OWED USES: |
| | Automotive sales (all within an enclosed building) |
| | Automobile repair establishment (all repair within enclosed building). No more than 2 establishments on site. |
| | Bakeries, (baking on premises, retail sales only) |
| | Bus or other public/community transit terminals (no repair or vehicle maintenance) |
| | Barber/beauty salons |
| | Car washes |
| | Child care facilities |
| | Cocktail lounge |
| | Commercial uses adjacent to residential |
| | Communication facilities provided location is on top of building of 3 stories or greater in height or meet the standards set forth in RMC for communication facilities |
| | Convenience services establishments such as tailoring, shoe repair, and the like |
| | Cultural facilities (including art galleries, libraries and museums) and/or publically-owned buildings |
| | Department Stores |
| П | Drive-through facilities |

☐ Drug/pharmacy stores

MEADOWOOD MALL

Bicycle Parking equal to 1.5% of automobile

| Educational centers/schools, private or public | parking space requirement per expansion, | |
|---|--|--|
| Entertainment facilities (including video arcade, game arcade, fun center and other similar activities) | | distributed between public and employee entries. Each inverted-U rack shall count as 2 bicycle parking spaces. |
| Financial institutions, with or without drive-through facilities | | Accessible parking requirements is 20 spaces plus 1 space for each 100 spaces over 1 000 spaces required |
| Fitness center Freestanding automated teller machines | | Parking stalls shall be 60° or 90° with 8'-6" wide by 17'-4" long stalls and 18'-10" or 24' wide aisle. |
| Indoor recreational activities including skating (ice or wheeled), bicycle courses, model race car tracks, miniature golf, bowling and other similar activities | | Compact parking stalls shall be 60° or 90° with 8 feet wide by 16.8 feet long and shall not exceed more than 25% of total required parking spaces. |
| Indoor entertainment including video arcades, fun center, arcade games, virtual reality games, laser tag and other similar activities | | Accessible parking shall be 11 feet wide by 18 feet long with 5 foot access aisle placed between 2 accessible parking spaces. |
| Hotel/motel without gaming | MIN | IMIUM SETBACKS: |
| Open lot or structured parking | IVIIIN | Buildings within Ring Road: 15 feet measured from |
| Pet stores, pet grooming establishments and/or veterinarian offices or clinics (no outside kenneling) | | the inside radius of Ring Road |
| Printing (including quick-copy establishments), reproduction or publishing establishments | | Building outside of Ring Road: 15 feet measured from the outside radius of the Ring Road |
| Private clubs and lodges | | Parking structure: 15 feet measured from the inside |
| Professional, business, financial, civic or public utility | | radius of Ring Road |
| offices Recording studios | | Parking structure exceeding two supported levels: Include a building inset of 5 feet in width for each additional level over 2 levels |
| Rental businesses within an enclosed building | | additional level over 2 levels |
| Residential caretaker uses | BUII | LDING HEIGHT: |
| Restaurants with or without cocktail lounges | | 75 feet for retail commercial |
| Retail uses | | 55 feet for parking structure within Ring Road, 40 |
| Specialty retail shops (jewelry, compact disks, books, craft, antiques, electronics, etc.) | | feet for parking structure outside Ring Road |
| Theaters including motion theaters (no drive-in theaters) | | ERIOR MECHANICAL AND ELECTRIAL |
| Uses operating between 11 pm to 6 am | EQL | JIPMENT SCREENING: |
| Video rental establishments | Ш | Switch boxes, transformer, electrical and gas meters and other above ground utility elements screened or |
| Accessory uses which are incidental to and customarily associated with the above-permitted uses | | located out of view from street or public area. Any equipment, whether on the roof, side of building |
| ARKING: Based on the ratio of 3.15 parking spaces per 1,000 square feet of GBA for Mall Building as defined in the definitions of Meadowood Mall Development Standards | Any equipment, whether on the roof, side of build or on the ground must be screened. The method of screening must be architecturally integrated in terroof materials, color, shape and size. | |
| Based on ratio 3.8 parking spaces per 1,000 square feet of GBA for Department Stores | | |



| SERV | /ICE AREAS AND TRASH ENCLSOURE SCREENING: | [| ree mix shall be | 50% deciduous and 50% |
|------|--|---------------------|---------------------|--------------------------------------|
| | Storage, service including loading areas and | | vergreen. | |
| | trash enclosures must be located either inside a | [| Iinimum tree size | : Deciduous 2 inch caliper |
| | closed building or behind a visual barrier. | | 4 | 50% - 6 feet height |
| | Loading docks areas must be setback, recessed | | | 50% - Evergreen 8 feet height |
| | and screened from view by walls, berms or | [| | a rate of 1 tree per 30 linear feet. |
| | plantings | [| | ative groundcover shall be |
| | | | 0% coverage a | |
| | | □ Pa | g lots / Parking | |
| LIGH | ITING: | | | tal dimension shall be 10 feet and |
| | Light standards shall be limited to 50 feet in | | 5 feet when adjac | |
| | height, including base. | Γ | | e: Deciduous 2 inch caliper |
| | Parking deck light standards shall be limited to 20 feet | _ | | Evergreen 6 feet height |
| | in height, including base. | [| erimeter (along F | Ring Road): 33% oversized trees at |
| | Lighting shall be shielded as needed to prevent | | | us trees and 50% 8 feet in height |
| | glare onto adjoining residential parcels. | | | and 50% 6 feet in height. Tree |
| | There shall be no light standards within 40 feet of | | | deciduous and 40% evergreen. |
| | residential properties. | Г | | |
| | Lighting shall be decorative, consistent with | L | | rate of 1 tree per 30 lineal feet. |
| | the architecture. | L | | g Structures Tree mix - be 40% |
| | | - | | d 60% evergreen trees. |
| | | L | • | Mix: lineal Planters 60% |
| ARCI | HITECTURE: | | | 0% Evergreen trees |
| | Building square footage for existing/proposed of GLA | | | 00%, deciduous trees |
| | and GBA (maximum 25% above 1,000,000 square feet | | | lar Entries and Public Open |
| | GLA). | $S_{\underline{j}}$ | | |
| | Exterior materials - exterior plaster or "stucco" | Ĺ | Iinimum tree size | e: Deciduous 3 inch caliper |
| | (including, but not limited to, synthetic EFIS | _ | | Evergreen 1 0 feet height |
| | stucco or other substitutes that resemble traditional | L | | 50% deciduous trees and 40% |
| | plaster or "stucco"), brick, masonry, stone metal | | vergreen trees. | |
| | and tile. Wood as trim, only. | | | are feet of planter area and |
| П | Predominant exterior materials shall not include | | inimum of 1 tre | |
| _ | smooth-faced concrete block, concrete panels without | | | shall be one oi the options below: |
| | fenestration or texture and pre-fabricated steel panels. | [| Iinimum 12 foot | landscape planter with 2 foot bern |
| | Facade colors - low reflectance, subtle, neutral or | | lanted with 40% | deciduous trees and 60% evergrees |
| | earth tone colors. The use of intensity colors, | | ees at a rate of 1 | tree per 20 linear feet or; |
| | metallic colors, black or fluorescent colors is | [| Iinimum 5 foot la | andscape planter with 6-12 foot |
| | prohibited. | | olid wall as requi | red to screen vehicle or dumpster |
| | Building trim and accent areas may feature brighter | | lanted with 40% | deciduous trees and 60'% ever |
| ш | colors. | | | e of 1 trees per 30 linear feet. |
| | colors. | [| lix of shrubs shall | l be 40% deciduous and 60% |
| | | | vergreen and visu | ally screen 80% within 3 years of |
| TANI | DSCAPE REQUIREMENTS: | | stallation. | , |
| | Plant material shall be selected from the Plant Palette in | | other landscape | requirements shall be in |
| Ш | | | | adowood Mall Development |
| | Appendix. | | ndards Handboo | |
| | Inert ground covets shall not exceed 25% of landscaped area. | | | ···· |
| Ц | Mall Building | | | |
| | Minimum depth shall be 10 feet adjacent to mall | | | |
| | building, when adjacent to ring road shall be 15 | | | |
| | feet | | | |



SIGNS: ☐ Individual tenant shops not permitted to display signs on the exterior of the building facing parking lots or parking structures. Mall stores (i) between 25,000 square feet and 30,000 square feet of GLA; or (ii) that have an exterior facade; or (iii) that are located within a free-standing building will be permitted to have exterior signs. Restaurants that have an exterior facade are located within a free-standing building and/or remain open for business after mall hours will be permitted to have exterior signs. Signs have individually channelized letters and may be internally illuminated. Stores exceeding 30,000 square feet of GLA shall not exceed 72 inches in overall height for wall mounted channelized letters. Individual mall tenants or free-standing buildings shall not exceed 30 inches for wall mounted channelized letters Ground signs for individual buildings or mall tenants located inside of the ring road shall not be allowed. Individual buildings located outside the ring road shall be permitted to have ground signs that conform to the Meadowood Mall identity ground sign standards for eight (8) foot tall monument signs contained herein; and limited to one ground sign per street frontage, with a maximum of two (2) total ground signs. Ground signs maximum height shall not exceed 8 feet in overall height. Mall identity shall be maximum height of 30 feet, located at entrances to the mall. Exterior signs compatible with building surface upon displayed Prohibited signs and sign components: Cabinet or canned signs Sign manufacturer's name, stamps or decals Sign with painted letters Sign employing unedged or uncapped plastic letters with no returns Paper, plastic or cardboard signs Signs on canopies, marquees and awnings permitted only for the following conditions: located only on the front of an awning (either on surrey sash, or on a front facing sloped plane on greater than 18:12, but not both) and not on the side return panels or side surrey sashes may not be located on a vertical plane or an awning

unless such plane is a surrey sash no greater in height than 8 inches, or is the front facing panel on an awning designed to provide weather protection for an

entry

| the area of the side return panels. |
|--|
| Interior signs approved by mall management and are |
| excluded from these standards. |
| Interior Ring Directional Signs shall be a maximum size of |
| 8 square feet with a maximum height of 5 feet. |
| Ring Road Directional Signs shall be a maximum size of |
| 30 square feet with a maximum height of 8 feet. A |
| maximum of six (6) signs on the ring road, are permitted, |
| unless it can be demonstrated to the administrator that |
| additional signs are necessary to provide adequate on-site |
| circulation. |
| Regulatory signs shall be in accordance with the Manual of |

Uniform Traffic Control Devices (M.U.T.C.D.).

no larger than 10% of the awning area not including



EXHIBIT 1

APPLICATION REQUIREMENTS FOR SITE **PLAN REVIEW**

| APPLICATIONS shall be collated and bound into separate packets of the following: | | |
|--|--|--|
| | Application Form(s) | |
| | Assessor's Parcel Map pages within 600 feet of subject site | |
| | Owner's Affidavit, Applicant Affidavit Notarized | |
| | If there is a mobile home park or subdivision within 600', provide all names and addresses for residents in these park(s). | |
| | Neighborhood Advisory Board information | |
| | Legal Description (legal description for annexations, zone changes and abandonments must be signed and stamped by a licensed engineer or land surveyor of the State of Nevada) | |
| | 8-1/2" x 11" Map Site Plan | |
| | 8-1/2" x 11" Zoning/Vicinity Map (see next page) | |
| | 24" x 36" Colored Display Map (1 copy only for original application) | |
| | 24" x 36" Display Map, Non-Colored Display Map | |
| | $8\mbox{-}1/2\mbox{"}$ x 11" and 24" x 36" Building Elevations and building square footage showing existing/proposed GBA and GLA | |
| | 24" x 36 Preliminary Grading and Drainage Plan (if applicable) FOLD ALL 24" X 36" MAPS TO APPROXIMATELY 9" x 12" | |
| | Calculate handicap parking spaces and regular parking spaces | |
| | Calculate percentage of landscaping, number of trees, and what is being provided | |
| | Information on signage | |
| | Building heights | |
| | Exterior lighting | |
| | Preliminary Grading and Drainage Plan | |
| | Traffic improvement design information shall be submitted as required by the Nevada Department of | |

Transportation and City of Reno.

| | WEADOWULL |
|------------------------|-----------|
| Supporting Information | |

| Application Requirements Checklist |
|------------------------------------|
| Check or Money Order |

Original Application and fourteen copies.

Pursuant to Reno Municipal Code (18.06.400(b)), the administrator reserves the right to require additional information on any Site Plan Review application prior to determining that it is complete.

RIVIEW, DECISIONS, AND RECOMENDATIONS

If the application is complete and no supplementary information is required, the administrator will advise the applicant, in writing, within 30 days if the application is approved, conditionally approved or denied. The administrator may not approve an application for site plan review until at least ten days after notice has been given pursuant to this section. The Community Development Department will make a determination if the proposed submittal is consistent with the Meadowood Mall Development Standards.

Review periods may be extended with the applicant's consent.

FINDINGS

- 1. The proposed project is consistent with all requirements of the Meadowood Mall Development Standards Handbook.
- 2. The project has safe and adequate automobile and pedestrian access.
- 3. The project has been designed in such a manner as to facilitate police and fire protection.
- 4. The project represents an integrated development per the Meadowood Mall Development Standards Handbook.
- 5. The applicant will mitigate the traffic impacts of the project as required in the Meadowood Mall Development Standards Handbook and Meadowood Mall Development Agreement.



NOTICE

The applicant shall place a sign(s), provided by the administrator, on the property which is the subject of the site plan review application. One sign shall be placed adjacent to each street abutting the property within seven days of the acceptance of the application by the administrator.

APPEAL PROCESS

The decision of the administrator to approve, approve with conditions or deny a site plan review, may be appealed to the Board of Adjustment by filing with the Administrator, within ten days from the date of the decision, a written notice stating briefly the grounds of the appeal. The applicant or authorized representative shall have the right to appeal the decision. The administrator will place such appeal on the Board of Adjustment agenda at the next regularly scheduled Board of Adjustment meeting occurring at least twenty-one days thereafter. The Board of Adjustment, after a public hearing, shall have the power to affirm or reverse such decision. If the Board of Adjustment denies the appeal, the applicant may appeal to the City Council within ten days of the Board of Adjustment's decision by filing a notice of appeal with the City Clerk.

TIMING

The owner, applicant or developer shall apply for a building permit for the project within one year of the date of approval of the site plan review application and maintain the validity of that permit or the site plan review approval shall be null and void.



EXHIBIT 2ALLOWED USES:

- Automotive sales (All within an enclosed building)
- Automobile repair establishment. (All repair must take place within an enclosed building) maximum number is 2 establishments on site.
- Bakeries, retail (Baking on premises with all baked goods sold at retail on premises)
- Barber/beauty salons
- Bus or other public/community transit terminals (no repair or vehicle maintenance)
- Car washes
- Child care facilities
- Cocktail lounge
- Commercial uses adjacent to residential
- Communication facilities provided location is on top of building of 3 stories or greater in height or meet the standards set forth in RMC for communication facilities
- Convenience services establishments such as tailoring, shoe repair and the like
- Cultural facilities (including art galleries, libraries and museums) and/or publicly-owned buildings
- Department Stores
- Drive-through facilities
- Drug/pharmacy stores
- Educational centers/schools, private or public
- Entertainment facilities (including video arcade, game arcade, fun center and other similar activities)
- Financial institutions, with or without drive-through facilities
- Fitness centers
- Freestanding automated teller machines
- Indoor recreational activities including skating (ice or wheeled), bicycle courses, model race car tracks, miniature golf, bowling and other similar activities
- Indoor entertainment including video arcades, fun center, arcade games, virtual reality games, laser tag and other similar activities
- Hotel/Motel without gaming
- Open lot or structured parking

- Pet stores, pet grooming establishments and/or veterinarian offices or clinics (no outside kenneling)
- Printing (including quick-copy establishments), reproduction or publishing establishments
- Private clubs and lodges
- Professional, business, financial, civic or public utility offices
- Recording studios
- · Rental businesses within an enclosed building
- Residential caretaker uses
- Restaurants with or without cocktail lounges
- Retail use
- Specialty retail shops (jewelry, compact disks, books, craft, antiques, electronics, etc.)
- Theaters including motion theaters (no drive-in theaters)
- Uses operating between 11 pm to 6 am
- Uses adjacent to residentially zoned or used property
- Uses adjacent to a major arterial
- Video rental establishments
- Accessory uses which are incidental to and customarily associated with the above-permitted uses

MEADOWOOD, MALL

EXHIBIT 3 LEGAL DESCRIPTION

Stantec Consulting Inc. 950 Industrial Way Sparks NV 89431 USA Tel: (775) 358-6931 Fax: (775) 358-6954 www.stantec.com



EXHIBIT A

December 10, 1999 Project No. 80400533

Jeff Codega Planning & Design Zone Change Legal Description

All that real property situate in a portion of the NW1/4 Section 31, T19N, R20E, MDM, City of Reno. County of Washoe, State of Nevada, more particularly described as follows:

Lots 1, 2, 3, and 6 of Meadowood Regional Retail Development Subdivision, according to the map thereof, filed in the Office of the County Recorder of Washoe County, State of Nevada, on July 14. 1977, under Filing No. 475753, as Tract Map No. 1663, Official Records and Parcel B as set forth on Parcel Map No. 2912, filed for record on June 2, 1995, as File No. 1898051, Official Records of Washoe County, Nevada.

Containing an area of 76.09 acres of land, more or less.

The above described parcels are subject to all easements and reservations of record.

BASIS OF BEARINGS: Meadowood Regional Retail Development Subdivision, according to the map thereof, filed in the Office of the County Recorder of Washoe County, State of Nevada, on July 14, 1977, under Filing No. 475753, as Tract Map No. 1663, Official Records.

\renoserv05\data-2\survey\80400533\wpdocs\legals\codega lgl.doc

Buildings

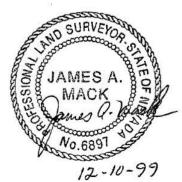
Environment

Industrial

Management Systems

Transportation

Urban Land



Appendix F

Senate Bill No. 473–Committee on Government Affairs

CHAPTER.....

AN ACT relating to affordable housing; revising certain definitions relating to affordable housing to establish a consistent definition of the term "affordable housing" across various provisions of existing law; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law contains numerous definitions of "affordable housing." (NRS 244A.672, 268.515, 278.0105, 315.725) This bill applies a single definition of "affordable housing" to various provisions of existing law in order to establish a consistent definition of "affordable housing" throughout those provisions. For the purposes of certain provisions governing land use planning, existing law defines "affordable housing" to mean housing affordable for a family with a total gross income that does not exceed 80 percent of the median gross income for the county concerned based upon estimates of the United States Department of Housing and Urban Development of the most current median gross family income for the county. (NRS 278.0105)

Sections 2-4 and 6 of this bill revise that definition by establishing three tiers of affordable housing and defining "affordable housing" as housing that falls within any of the three tiers. Section 2 of this bill defines "tier one affordable housing" as housing for a household that has a total monthly gross household income that is equal to not more than 60 percent of the median monthly gross household income for the county in which the housing is located. Section 4 of this bill defines "tier two affordable housing" as housing for a household that has a total monthly gross household income that is equal to more than 60 percent but not more than 80 percent of the median monthly gross household income for the county in which the housing is located. Section 3 of this bill defines "tier three affordable housing" as housing for a household that has a total monthly gross household income that is equal to more than 80 percent but not more than 120 percent of the median monthly gross household income for the county in which the housing is located. Housing at all three tiers is required to cost a household with an income at the maximum amount for the tier not more than 30 percent of the total monthly gross household income of the household.

Sections 7-27 of this bill apply the revised definition of "affordable housing" to various provisions relating to housing. Sections 9 and 10 of this bill remove certain references to housing for "low-income households" and replace those references with references to the revised definition of "affordable housing." Section 29 of this bill repeals a provision defining "low-income household" to conform to these changes. Section 28 of this bill authorizes cities and counties to use certain revenue to develop tier one affordable housing and tier two affordable housing.

EXPLANATION - Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- **Section 1.** Chapter 278 of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.
- Sec. 2. 1. "Tier one affordable housing" means housing for a household:
- (a) Which has a total monthly gross income that is equal to not more than 60 percent of the median monthly gross household income for the county in which the housing is located; and
- (b) Which costs not more than 30 percent of the total monthly gross household income of a household whose income equals 60 percent of the median monthly gross household income for the county in which the housing is located, including the cost of utilities.
- 2. For purposes of this section, median gross household income must be determined 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 in which the housing is located.
- Sec. 3. 1. "Tier three affordable housing" means housing for a household:
- (a) Which has a total monthly gross income that is equal to more than 80 percent but not more than 120 percent of the median monthly gross household income for the county in which the housing is located; and
- (b) Which costs not more than 30 percent of the total monthly gross household income of a household whose income equals 120 percent of the median monthly gross household income for the county in which the housing is located, including the cost of utilities.
- 2. For purposes of this section, median gross household income must be determined 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 in which the housing is located.
- Sec. 4. 1. "Tier two affordable housing" means housing for a household:
- (a) Which has a total monthly gross income that is equal to more than 60 percent but not more than 80 percent of the median monthly gross household income for the county in which the housing is located; and
- (b) Which costs not more than 30 percent of the total monthly gross household income of a household whose income equals 80



percent of the median monthly gross household income for the county in which the housing is located, including the cost of utilities.

- 2. For purposes of this section, median gross household income must be determined 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 in which the housing is located.
 - **Sec. 5.** NRS 278.010 is hereby amended to read as follows:
- 278.010 As used in NRS 278.010 to 278.630, inclusive, *and sections 2, 3 and 4 of this act,* unless the context otherwise requires, the words and terms defined in NRS 278.0103 to 278.0195, inclusive, *and sections 2, 3 and 4 of this act* have the meanings ascribed to them in those sections.
 - **Sec. 6.** NRS 278.0105 is hereby amended to read as follows:
- 278.0105 "Affordable housing" means [housing affordable for a family with a total gross income that does not exceed 80 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.] tier one affordable housing, tier two affordable housing or tier three affordable housing.
- **Sec. 7.** Chapter 279 of NRS is hereby amended by adding thereto a new section to read as follows:
- "Affordable housing" has the meaning ascribed to it in NRS 278.0105.
 - **Sec. 8.** NRS 279.384 is hereby amended to read as follows:
- 279.384 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 279.386 to 279.414, inclusive, *and section 7 of this act* have the meanings ascribed to them in those sections.
 - **Sec. 9.** NRS 279.425 is hereby amended to read as follows:
 - 279.425 It is further found and declared that:
- 1. The provision of housing is a fundamental purpose of the Community Redevelopment Law and that a generally inadequate supply of decent, safe and sanitary *affordable* housing [available to low income households] threatens the accomplishment of the primary purposes of the Community Redevelopment Law, including, without limitation, creating new employment opportunities, attracting new private investments of money in the area and creating physical, economic, social and environmental conditions to remove and prevent the recurrence of blight.



- 2. The provision and improvement of *affordable* housing [which can be rented or sold to families with low incomes and] which is inside or outside the boundaries of the redevelopment area can be of direct benefit to the redevelopment area in assisting the accomplishment of project objectives whether or not the redevelopment plan provides for *affordable* housing within the project area.
- 3. The provision of affordable housing by redevelopment agencies and the use of taxes allocated to the agency pursuant thereto is of statewide benefit and assistance to all local governmental agencies in the areas where *affordable* housing is provided.

Sec. 10. NRS 279.685 is hereby amended to read as follows:

- 279.685 1. Except as otherwise provided in this section or subsections 6 and 7 of NRS 279.676, an agency of a city whose population is 500,000 or more that receives revenue from taxes pursuant to paragraph (b) of subsection 1 of NRS 279.676 shall set aside:
- (a) Not less than 15 percent of that revenue received on or before October 1, 1999, and 18 percent of that revenue received after October 1, 1999, but before October 1, 2011, to increase, improve and preserve the [number of dwelling units] amount of affordable housing in the community; [for low income households:]
- (b) Not less than 18 percent of that revenue received on or after October 1, 2011, but before July 1, 2017, to:
- (1) Increase, improve, preserve or enhance the operating viability of [dwelling units] affordable housing in the community; [for low-income households;] and
- (2) Improve existing public educational facilities located within a redevelopment area or within 1 mile of a redevelopment area; and
- (c) Eighteen percent of that revenue received on or after July 1, 2017, but before March 6, 2031, to increase, improve, preserve or enhance the operating viability of [dwelling units] affordable housing in the community [for low income households] and:
- (1) Increase, improve, preserve or enhance public educational facilities;
 - (2) Support public educational activities and programs; or
- (3) Increase, improve, preserve or enhance public educational facilities and support public educational activities and programs,



- which are located in or within 1 mile of a redevelopment area or which serve pupils who reside in or within 1 mile of a redevelopment area; and
- (d) Eighteen percent of that revenue received on or after March 6, 2031, to:
- (1) Increase, improve, preserve or enhance public educational facilities;
 - (2) Support public educational activities and programs; or
- (3) Increase, improve, preserve or enhance public educational facilities and support public educational activities and programs,
- → described in paragraph (c).
- 2. For each fiscal year, the agency shall prepare a written report concerning the amount of money expended for the purposes set forth in paragraph (b), (c) or (d) of subsection 1, as applicable, and shall, on or before November 30 of each year, submit a copy of the report to the Director of the Legislative Counsel Bureau for transmittal to the Legislative Commission, if the report is received during an odd-numbered year, or to the next session of the Legislature, if the report is received during an even-numbered year.
- 3. The obligation of an agency to set aside not less than 15 percent of the revenue from taxes allocated to and received by the agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is subordinate to any existing obligations of the agency. As used in this subsection, "existing obligations" means the principal and interest, when due, on any bonds, notes or other indebtedness whether funded, refunded, assumed or otherwise incurred by the agency before July 1, 1993, to finance or refinance in whole or in part, the redevelopment of a redevelopment area. For the purposes of this subsection, obligations incurred by an agency after July 1, 1993, shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.
- 4. The obligation of an agency to set aside an additional 3 percent of the revenue from taxes allocated to and received by the agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is subordinate to any existing obligations of the agency. As used in this subsection, "existing obligations" means the principal and interest, when due, on any bonds, notes or other indebtedness whether funded, refunded, assumed or otherwise incurred by the agency before October 1, 1999, to finance or refinance in whole or in part, the redevelopment of a redevelopment area. For the purposes of this subsection, obligations incurred by an agency after



- October 1, 1999, shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.
- 5. From the revenue set aside by an agency pursuant to paragraph (b) or (c) of subsection 1, not more than 50 percent of that amount may be used to:
- (a) Increase, improve, preserve or enhance the operating viability of [dwelling units] affordable housing in the community; [for low income households;] or
- (b) Increase, improve, preserve or enhance public educational facilities, support public educational activities and programs or increase, improve, preserve or enhance public educational facilities and support public educational activities and programs which are located in or within 1 mile of a redevelopment area or which serve pupils who reside in or within 1 mile of a redevelopment area,
- → unless the agency establishes that such an amount is insufficient to pay the cost of a project identified in the redevelopment plan for the redevelopment area.
- 6. Except as otherwise provided in paragraphs (b), (c) and (d) of subsection 1 and subsection 5, the agency may expend or otherwise commit money for the purposes of subsection 1 outside the boundaries of the redevelopment area.
- **Sec. 11.** NRS 279A.020 is hereby amended to read as follows: 279A.020 As used in this chapter, unless the context otherwise requires:
- 1. "Affordable housing" has the meaning ascribed to it in NRS 278.0105.
- 2. "Agency" means an agency of a county or city established or designated to administer a program.
- [2.] 3. "Fund" means a revolving fund for loans for the rehabilitation of residential property.
- [3.] 4. "Governing body" means the governing body of a county or city.
- [4.] 5. "Program" means a program for the rehabilitation of residential neighborhoods established by a governing body pursuant to this chapter.
- [5.] 6. "Rehabilitation" includes structural improvements, landscaping and any other measure to improve the appearance of property or maintain property in a decent, safe and sanitary condition.
- **Sec. 12.** NRS 279A.040 is hereby amended to read as follows: 279A.040 1. An applicant for a loan for the rehabilitation of residential property must, at the time application is made:
 - (a) Be a natural person who:



- (1) Is a resident of or an owner of residential property in the city or an unincorporated area of the county, as the case may be;
- (2) Is a member of a household having a gross income of less than [80] 120 percent of the median gross income for households of the same size residing in the same county or city, as applicable, as that percentage is defined by the United States Department of Housing and Urban Development, or rents residential property to such households:
- (3) Owns and resides on or rents for residential purposes only the property for which the loan is sought;
- (4) Has the financial resources to repay the loan in accordance with the terms of the agreement;
- (5) Has the ability to complete the rehabilitation within a reasonable time and maintain the property in a decent, safe and sanitary condition; and
- (6) Meets such other requirements as are imposed by the governing body; or
 - (b) Be an organization that:
- (1) Is recognized as exempt pursuant to 26 U.S.C. § 501(c)(3) or 501(c)(4);
- (2) Provides affordable housing to natural persons who meet the criteria set forth in subparagraphs (1) and (2) of paragraph (a); and
- (3) Has the financial resources to repay the loan in accordance with the terms of the agreement.
- 2. Any residential property for which a loan for rehabilitation is sought must be:
- (a) Entirely situated within the boundaries of the city or within an unincorporated area of the county, as the case may be;
 - (b) Capable of rehabilitation within reasonable limits; and
 - (c) Subject to not more than two encumbrances.
- **Sec. 13.** NRS 279B.020 is hereby amended to read as follows: 279B.020 As used in this chapter, unless the context otherwise requires:
- 1. "Abandoned residential property" means residential property which has been:
- (a) Acquired by the governing body pursuant to the provisions of NRS 361.603 or subsection 3 of NRS 279B.100, or by a grant from the Federal Government, the state government or any political subdivision of the State;
- (b) Declared to have been abandoned by the Federal Government, the state government or the governing body; and



- (c) Determined by the governing body to be in need of rehabilitation because of its deteriorated, substandard or unsanitary condition.
- 2. "Affordable housing" has the meaning ascribed to it in NRS 278.0105.
- **3.** "Agency" means an agency of a county or city established or designated to administer a program.
- [3.] 4. "Governing body" means the governing body of a county or city.
- [4.] 5. "Program" means a program for the rehabilitation of abandoned residential properties established by a governing body pursuant to this chapter.
- [5.] 6. "Rehabilitation" includes structural improvements, landscaping and any other measure to improve the appearance of property or maintain property in a decent, safe and sanitary condition.
- **Sec. 14.** NRS 279B.040 is hereby amended to read as follows: 279B.040 1. An applicant for rehabilitation of abandoned residential property must, at the time application is made:
 - (a) Be a natural person who:
- (1) Is a resident of the city or an unincorporated area of the county, as the case may be;
- (2) Is a member of a household having a gross income of less than [80] 120 percent of the median gross income for households of the same size residing in the same county or city, as applicable, as that percentage is defined by the United States Department of Housing and Urban Development;
- (3) Intends to reside on the abandoned residential property for which the rehabilitation is sought;
- (4) Has the financial resources to rehabilitate the abandoned residential property in accordance with the terms of the agreement;
- (5) Has the ability to complete the rehabilitation within a reasonable time and maintain the property in a decent, safe and sanitary condition; and
- (6) Meets such other requirements as are imposed by the governing body; or
 - (b) Be an organization that:
- (1) Is recognized as exempt pursuant to 26 U.S.C. $\S 501(c)(3)$ or 501(c)(4);
- (2) Provides affordable housing to natural persons who meet the criteria set forth in subparagraphs (1) and (2) of paragraph (a); and



- (3) Has the financial resources to rehabilitate the abandoned residential property in accordance with the terms of the agreement.
- 2. Any abandoned residential property for which an application for the rehabilitation is sought must be:
- (a) Entirely situated within the boundaries of the city or within an unincorporated area of the county, as the case may be;
 - (b) Capable of rehabilitation within reasonable limits; and
 - (c) Subject to not more than two encumbrances.
- **Sec. 15.** NRS 118B.0105 is hereby amended to read as follows:
- 118B.0105 "Account" means the Account for [Low Income] *Affordable* Housing created by NRS 319.500.
 - **Sec. 16.** NRS 232.860 is hereby amended to read as follows:
- 232.860 The Commission shall, within the limits of available money:
- 1. Study matters affecting the social and economic welfare and well-being of minorities residing in the State of Nevada;
- 2. Collect and disseminate information on activities, programs and essential services available to minorities in the State of Nevada;
 - 3. Study the:
- (a) Availability of employment for minorities in this State, and the manner in which minorities are employed;
- (b) Manner in which minorities can be encouraged to start and manage their own businesses successfully; and
- (c) Availability of affordable housing, as defined in NRS 278.0105, for minorities;
- 4. In cooperation with the Nevada Equal Rights Commission, act as a liaison to inform persons regarding:
- (a) The laws of this State that prohibit discriminatory practices; and
- (b) The procedures pursuant to which aggrieved persons may file complaints or otherwise take action to remedy such discriminatory practices;
- 5. To the extent practicable, strive to create networks within the business community between businesses that are owned by minorities and businesses that are not owned by minorities;
- 6. Advise the Governor on matters relating to minorities and of concern to minorities; and
 - 7. Recommend proposed legislation to the Governor.
 - **Sec. 17.** NRS 244.189 is hereby amended to read as follows:
- 244.189 1. Except as otherwise provided in subsection 2 and in addition to any other powers authorized by specific statute, a board of county commissioners may exercise such powers and enact



such ordinances, not in conflict with the provisions of NRS or other laws or regulations of this State, as the board determines are necessary and proper for:

(a) The development of affordable housing;

(b) The control and protection of animals;

(c) The rehabilitation of rental property in residential neighborhoods; and

(d) The rehabilitation of abandoned residential property.

- 2. The board of county commissioners shall not impose or increase a tax unless the tax or increase is otherwise authorized by specific statute.
- 3. The board of county commissioners may, in lieu of a criminal penalty, provide a civil penalty for a violation of an ordinance enacted pursuant to this section unless state law provides a criminal penalty for the same act or omission.
- 4. As used in this section, "affordable housing" has the meaning ascribed to it in NRS 278.0105.

Sec. 18. NRS 244.287 is hereby amended to read as follows:

- 244.287 1. A nonprofit organization may submit to a board of county commissioners an application for conveyance of property that is owned by the county if the property was:
- (a) Received by donation for the use and benefit of the county pursuant to NRS 244.270.

(b) Purchased by the county pursuant to NRS 244.275.

- 2. Before the board of county commissioners makes a determination on such an application for conveyance, it shall hold at least one public hearing on the application. Notice of the time, place and specific purpose of the hearing must be:
- (a) Published at least once in a newspaper of general circulation in the county.
- (b) Mailed to all owners of record of real property which is located not more than 300 feet from the property that is proposed for conveyance.
- (c) Posted in a conspicuous place on the property that is proposed for conveyance.
- The hearing must be held not fewer than 10 days but not more than 40 days after the notice is published, mailed and posted in accordance with this subsection.
- 3. The board of county commissioners may approve such an application for conveyance if the nonprofit organization demonstrates to the satisfaction of the board that the organization or its assignee will use the property to develop affordable housing. Ifor families whose income at the time of application for such



housing does not exceed 80 percent of the median gross income for families residing in the same county, as that percentage is defined by the United States Department of Housing and Urban Development.] If the board of county commissioners receives more than one application for conveyance of the property, the board must give priority to an application of a nonprofit organization that demonstrates to the satisfaction of the board that the organization or its assignee will use the property to develop affordable housing for persons who are disabled or elderly.

- 4. If the board of county commissioners approves an application for conveyance, it may convey the property to the nonprofit organization without consideration. Such a conveyance must not be in contravention of any condition in a gift or devise of the property to the county.
- 5. As a condition to the conveyance of the property pursuant to subsection 4, the board of county commissioners shall enter into an agreement with the nonprofit organization that requires the nonprofit organization or its assignee to use the property to provide affordable housing for at least 50 years. If the nonprofit organization or its assignee fails to use the property to provide affordable housing pursuant to the agreement, the board of county commissioners may take reasonable action to return the property to use as affordable housing, including, without limitation:
- (a) Repossessing the property from the nonprofit organization or its assignee.
- (b) Transferring ownership of the property from the nonprofit organization or its assignee to another person or governmental entity that will use the property to provide affordable housing.
- 6. The agreement required by subsection 5 must be recorded in the office of the county recorder of the county in which the property is located and must specify:
- (a) The number of years for which the nonprofit organization or its assignee must use the property to provide affordable housing; and
- (b) The action that the board of county commissioners will take if the nonprofit organization or its assignee fails to use the property to provide affordable housing pursuant to the agreement.
- 7. A board of county commissioners that has conveyed property pursuant to subsection 4 shall:
- (a) Prepare annually a list which includes a description of all property that was conveyed to a nonprofit organization pursuant to this section; and



- (b) Include the list in the annual audit of the county which is conducted pursuant to NRS 354.624.
- 8. If, 5 years after the date of a conveyance pursuant to subsection 4, a nonprofit organization or its assignee has not commenced construction of affordable housing, or entered into such contracts as are necessary to commence the construction of affordable housing, the property that was conveyed automatically reverts to the county.
- 9. A board of county commissioners may subordinate the interest of the county in property conveyed pursuant to subsection 4 to a first or subsequent holder of a mortgage on that property to the extent the board deems necessary to promote investment in the construction of affordable housing.
- 10. As used in this section, unless the context otherwise requires [, "nonprofit]:
- (a) "Affordable housing" has the meaning ascribed to it in NRS 278.0105.
- (b) "Nonprofit organization" means an organization that is recognized as exempt pursuant to 26 U.S.C. § 501(c)(3).
 - **Sec. 19.** NRS 268.058 is hereby amended to read as follows:
- 268.058 1. A nonprofit organization may submit to the governing body of a city an application for conveyance of property that is owned by the city if the property was purchased or received by the city pursuant to NRS 268.008.
- 2. Before the governing body makes a determination on such an application for conveyance, it shall hold at least one public hearing on the application. Notice of the time, place and specific purpose of the hearing must be:
- (a) Published at least once in a newspaper of general circulation in the city.
- (b) Mailed to all owners of record of real property which is located not more than 300 feet from the property that is proposed for conveyance.
- (c) Posted in a conspicuous place on the property that is proposed for conveyance.
- The hearing must be held not fewer than 10 days but not more than 40 days after the notice is published, mailed and posted in accordance with this subsection.
- 3. The governing body may approve such an application for conveyance if the nonprofit organization demonstrates to the satisfaction of the governing body that the organization or its assignee will use the property to develop affordable housing. For families whose income at the time of application for such housing



does not exceed 80 percent of the median gross income for families residing in the same city, as that percentage is defined by the United States Department of Housing and Urban Development.] If the governing body receives more than one application for conveyance of the property, the governing body must give priority to an application of a nonprofit organization that demonstrates to the satisfaction of the governing body that the organization or its assignee will use the property to develop affordable housing for persons who are disabled or elderly.

- 4. If the governing body approves an application for conveyance, it may convey the property to the nonprofit organization without consideration. Such a conveyance must not be in contravention of any condition in a gift or devise of the property to the city.
- 5. As a condition to the conveyance of the property pursuant to subsection 4, the governing body shall enter into an agreement with the nonprofit organization that requires the nonprofit organization or its assignee to use the property to provide affordable housing for at least 50 years. If the nonprofit organization or its assignee fails to use the property to provide affordable housing pursuant to the agreement, the governing body may take reasonable action to return the property to use as affordable housing, including, without limitation:
- (a) Repossessing the property from the nonprofit organization or its assignee.
- (b) Transferring ownership of the property from the nonprofit organization or its assignee to another person or governmental entity that will use the property to provide affordable housing.
- 6. The agreement required by subsection 5 must be recorded in the office of the county recorder of the county in which the property is located and must specify:
- (a) The number of years for which the nonprofit organization or its assignee must use the property to provide affordable housing; and
- (b) The action that the governing body will take if the nonprofit organization or its assignee fails to use the property to provide affordable housing pursuant to the agreement.
- 7. A governing body that has conveyed property pursuant to subsection 4 shall:
- (a) Prepare annually a list which includes a description of all property conveyed to a nonprofit organization pursuant to this section; and



- (b) Include the list in the annual audit of the city which is conducted pursuant to NRS 354.624.
- 8. If, 5 years after the date of a conveyance pursuant to subsection 4, a nonprofit organization or its assignee has not commenced construction of affordable housing, or entered into such contracts as are necessary to commence the construction of affordable housing, the property that was conveyed automatically reverts to the city.
- 9. A governing body may subordinate the interest of the city in property conveyed pursuant to subsection 4 to a first or subsequent holder of a mortgage on that property to the extent the governing body deems necessary to promote investment in the construction of affordable housing.
- 10. As used in this section, unless the context otherwise requires [, "nonprofit]:
- (a) "Affordable housing" has the meaning ascribed to it in NRS 278.0105.
- (b) "Nonprofit organization" means an organization that is recognized as exempt pursuant to 26 U.S.C. § 501(c)(3).
 - **Sec. 20.** NRS 268.190 is hereby amended to read as follows:
- 268.190 Except as otherwise provided by law, the city planning commission may:
- 1. Recommend and advise the city council and all other public authorities concerning:
- (a) The laying out, widening, extending, paving, parking and locating of streets, sidewalks and boulevards.
- (b) The betterment of housing and sanitary conditions, and the establishment of zones or districts within which lots or buildings may be restricted to residential use, or from which the establishment, conduct or operation of certain business, manufacturing or other enterprises may be excluded, and limiting the height, area and bulk of buildings and structures therein.
- 2. Recommend to the city council and all other public authorities plans and regulations for the future growth, development and beautification of the municipality in respect to its public and private buildings and works, streets, parks, grounds and vacant lots, which must include for each city a population plan if required by NRS 278.170, a plan for the development of affordable housing and, for each city located in a county whose population is 700,000 or more, a plan to inventory and preserve historic neighborhoods. As used in this subsection, "affordable housing" has the meaning ascribed to it in NRS 278.0105.



- 3. Perform any other acts and things necessary or proper to carry out the provisions of NRS 268.110 to 268.220, inclusive, and in general to study and propose such measures as may be for the municipal welfare and in the interest of protecting the municipal area's natural resources from impairment.
- **Sec. 21.** Chapter 319 of NRS is hereby amended by adding thereto a new section to read as follows:
- "Affordable housing" has the meaning ascribed to it in NRS 278.0105.
 - **Sec. 22.** NRS 319.030 is hereby amended to read as follows:
- 319.030 As used in this chapter, the words and terms defined in NRS 319.040 to 319.135, inclusive, *and section 21 of this act* have the meanings ascribed to them in those sections.
 - **Sec. 23.** NRS 319.143 is hereby amended to read as follows:
- 319.143 1. The Division shall create and maintain a statewide low-income housing database.
- 2. The database must include, without limitation, the compilation and analysis of demographic, economic and housing data from a variety of sources that:
- (a) Provides for an annual assessment of the affordable housing market at the city and county level, including data relating to housing units, age of housing, rental rates and rental vacancy rates, new home sales and resale of homes, new construction permits, mobile homes, lots available for mobile homes and conversions of multifamily condominiums;
- (b) Addresses the housing needs of various population groups in Nevada, such as households that rent, homeowners, elderly households, veterans, persons with disabilities or special needs, homeless persons, recovering drug abusers, persons suffering from mental health ailments and victims of domestic violence, with each group distinguished to show the percentage of the population group at different income levels, and a determination of the number of households within each special-needs group experiencing housing costs greater than 50 percent of their income, overcrowding or substandard housing;
- (c) Contains an estimate of the number and condition of subsidized and other low-income housing units at the county level and the identification of any subsidized units that are forecast to convert to market-rate units within a 2-year planning period;
- (d) Provides a demographic and economic overview by local and county jurisdiction, if feasible, for the population of Nevada, including age, race and ethnicity, household size, migration, current and forecast employment, household income and a summary



relating to the effects of demographics and economic factors on housing demand;

- (e) Provides the number of housing units available to a victim of domestic violence from any housing authority, as defined in NRS 315.021, and from participation in the program of housing assistance pursuant to section 8 of the United States Housing Act of 1937, 42 U.S.C. § 1437f; and
- (f) Provides the number of terminations of victims of domestic violence in this State from the program of housing assistance pursuant to section 8 of the United States Housing Act of 1937, 42 U.S.C. § 1437f.
 - 3. The costs of creating and maintaining the database:
- (a) Must be paid from the Account for [Low Income] *Affordable* Housing created by NRS 319.500; and
 - (b) May not exceed \$175,000 per year.
 - Sec. 24. NRS 319.340 is hereby amended to read as follows:
- 319.340 1. The Division may establish one or more bond reserve funds, and shall pay into each such bond reserve fund:
- (a) Any money appropriated by the Legislature for the purpose of the fund;
- (b) Any proceeds of sale of notes or bonds to the extent provided in connection with the issuance thereof; and
- (c) Any other money which may be available to the Division for the purpose of the fund from any other source or sources.
- → All money held in any bond reserve fund, except as otherwise expressly provided in this chapter, must be used, as required, solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to such bonds, the purchase or redemption of such bonds, the payment of interest on such bonds or the payment of any redemption premium required to be paid when the bonds are redeemed before maturity.
- 2. Money in such a fund must not be withdrawn from the fund at any time in an amount that would reduce the amount of the fund below the requirement established for that fund, except to pay when due, with respect to bonds secured in whole or in part by that fund, principal, interest, redemption premiums and sinking fund payments for the payment of which other money of the Division is not available. Any income or interest earned by or incremental to any bond reserve fund resulting from the investment thereof may be transferred by the Division to other funds or accounts of the Division and to the Account for [Low-Income] Affordable Housing created pursuant to NRS 319.500, to the extent that the amount of



that bond reserve fund is not reduced below the requirement for the fund.

Sec. 25. NRS 319.500 is hereby amended to read as follows:

- 319.500 1. There is hereby created in the State General Fund the Account for [Low Income] Affordable Housing, to be administered by the Division. All money that is collected for the use of the Account from any source, including pursuant to a specific statute, tax, legislative appropriation, gift or grant, or from interest earned on specified public or private accounts, must be deposited in the Account.
- 2. The money in the Account must be invested as provided in chapters 355 and 356 of NRS. The interest and income earned on the money in the Account, after deducting any applicable charges, must be credited to the Account. All claims against the Account must be paid as other claims against the State are paid.

Sec. 26. NRS 319.510 is hereby amended to read as follows:

- 319.510 1. Except as otherwise provided in subsection 2, money deposited in the Account for [Low Income] Affordable Housing must be used:
- (a) For the acquisition, construction or rehabilitation of *affordable* housing for eligible families by public or private nonprofit charitable organizations, housing authorities or local governments through loans, grants or subsidies;
- (b) To provide technical and financial assistance to public or private nonprofit charitable organizations, housing authorities and local governments for the acquisition, construction or rehabilitation of *affordable* housing for eligible families;
- (c) To provide funding for projects of public or private nonprofit charitable organizations, housing authorities or local governments that provide assistance to or guarantee the payment of rent or deposits as security for rent for eligible families, including homeless persons;
- (d) To reimburse the Division for the costs of administering the Account:
- (e) To assist eligible persons by supplementing their monthly rent for the manufactured home lots, as defined by NRS 118B.016, on which their manufactured homes, as defined by NRS 118B.015, are located; and
- (f) In any other manner consistent with this section to assist eligible families in obtaining or keeping *affordable* housing, including use as the State's contribution to facilitate the receipt of related federal money.



- 2. Except as otherwise provided in this subsection, the Division may expend money from the Account as reimbursement for the necessary costs of efficiently administering the Account and any money received pursuant to 42 U.S.C. §§ 12701 et seq. In no case may the Division expend more than \$40,000 per year or an amount equal to 6 percent of any money made available to the State pursuant to 42 U.S.C. §§ 12701 et seq., whichever is greater. In addition, the Division may expend not more than \$175,000 per year from the Account to create and maintain the statewide low-income housing database required by NRS 319.143. The Division may expend not more than \$75,000 per year of the money deposited in the Account pursuant to NRS 375.070 for the purpose set forth in paragraph (e) of subsection 1. Of the remaining money allocated from the Account:
- (a) Except as otherwise provided in subsection 3, 15 percent must be distributed to the Division of Welfare and Supportive Services of the Department of Health and Human Services for use in its program developed pursuant to 45 C.F.R. § 233.120, as that section existed on December 4, 1997, to provide emergency assistance to needy families with children, subject to the following:
- (1) The Division of Welfare and Supportive Services shall adopt regulations governing the use of the money that are consistent with the provisions of this section.
- (2) The money must be used solely for activities relating to **[low income]** *affordable* housing that are consistent with the provisions of this section.
- (3) The money must be made available to families that have children and whose income is at or below the federally designated level signifying poverty.
- (4) All money provided by the Federal Government to match the money distributed to the Division of Welfare and Supportive Services pursuant to this section must be expended for activities consistent with the provisions of this section.
- (b) Eighty-five percent must be distributed to public or private nonprofit charitable organizations, housing authorities and local governments for the acquisition, construction and rehabilitation of *affordable* housing for eligible families, subject to the following:
- (1) Priority must be given to those projects that qualify for the federal tax credit relating to low-income housing.
- (2) Priority must be given to those projects that anticipate receiving federal money to match the state money distributed to them.



- (3) Priority must be given to those projects that have the commitment of a local government to provide assistance to them.
- (4) All money must be used to benefit families whose income does not exceed [60] 120 percent of the median income for families residing in the same county, as defined by the United States Department of Housing and Urban Development.
- (5) Not less than 15 percent of the units acquired, constructed or rehabilitated must be affordable to persons whose income is at or below the federally designated level signifying poverty. For the purposes of this subparagraph, a unit is affordable if a family does not have to pay more than 30 percent of its gross income for housing costs, including both utility and mortgage or rental costs.
- (6) To be eligible to receive money pursuant to this paragraph, a project must be sponsored by a local government.
- 3. The Division may, pursuant to contract and in lieu of distributing money to the Division of Welfare and Supportive Services pursuant to paragraph (a) of subsection 2, distribute any amount of that money to private or public nonprofit entities for use consistent with the provisions of this section.
 - **Sec. 27.** NRS 319.520 is hereby amended to read as follows:
- 319.520 1. The Administrator shall consult with representatives of housing authorities, organizations of persons with low income, providers of housing, financial institutions and other persons interested in the provision of **[low income]** affordable housing, and adopt regulations establishing:
- (a) Criteria for the distribution and use of money from the Account for [Low Income] Affordable Housing; and
- (b) Procedures for the Division and the local governments that receive money pursuant to NRS 319.510 to monitor the use of money from the Account and to enforce the provisions of this section and NRS 319.500 and 319.510.
- The regulations must be designed to maximize the efficient use of money in the Account and to promote the participation and assistance of local governments.
- 2. A recipient of money from the Account shall comply with the regulations of the Administrator and provide such reports to the Division and the local governments that receive money pursuant to NRS 319.510 upon the use of the money as the Administrator requires.
 - **Sec. 28.** NRS 375.070 is hereby amended to read as follows:
- 375.070 1. The county recorder shall transmit the proceeds of the tax imposed by NRS 375.020 at the end of each quarter in the following manner:



- (a) An amount equal to that portion of the proceeds which is equivalent to 10 cents for each \$500 of value or fraction thereof must be transmitted to the State Controller who shall deposit that amount in the Account for [Low Income] Affordable Housing created pursuant to NRS 319.500.
- (b) In a county whose population is 700,000 or more, an amount equal to that portion of the proceeds which is equivalent to 60 cents for each \$500 of value or fraction thereof must be transmitted to the county treasurer for deposit in the county school district's fund for capital projects established pursuant to NRS 387.328, to be held and expended in the same manner as other money deposited in that fund.
- (c) The remaining proceeds must be transmitted to the State Controller for deposit in the Local Government Tax Distribution Account created by NRS 360.660 for credit to the respective accounts of Carson City and each county.
- 2. In addition to any other authorized use of the proceeds it receives pursuant to subsection 1, a county or city may use the proceeds to pay expenses related to or incurred for the development of tier one affordable housing and tier two affordable housing. [for families whose income does not exceed 80 percent of the median income for families residing in the same county, as that percentage is defined by the United States Department of Housing and Urban Development.] A county or city that uses the proceeds in that manner must give priority to the development of tier one affordable housing and tier two affordable housing for persons who are elderly or persons with disabilities.
- 3. The expenses authorized by subsection 2 include, but are not limited to:
 - (a) The costs to acquire land and developmental rights;
 - (b) Related predevelopment expenses;
- (c) The costs to develop the land, including the payment of related rebates;
- (d) Contributions toward down payments made for the purchase of affordable housing; and
 - (e) The creation of related trust funds.
 - 4. As used in this section:
- (a) "Tier one affordable housing" has the meaning ascribed to it in section 2 of this act.
- (b) "Tier two affordable housing" has the meaning ascribed to it in section 4 of this act.
 - **Sec. 29.** NRS 279.397 is hereby repealed.
 - **Sec. 30.** This act becomes effective on July 1, 2019.

