

## STAFF REPORT

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**Date:** April 28, 2021

**To:** Mayor and City Council

**Thru:** Doug Thornley, City Manager

**Subject:** **D.1. Staff Report (For Possible Action): Presentation, discussion, and potential direction to staff regarding the Fiscal Year 2021/22 Comprehensive Planning work program.**

**From:** Arlo Stockham, Community Development Director

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**Summary:** This report presents a draft comprehensive planning work program for Fiscal Year 2021/22. Priorities are guided by the Strategic Plan, the Master Plan implementation chapter, and ongoing Council direction. The proposed work program includes regular responsibilities, completion of in-process projects, public facility plan updates, follow-up work from the zoning code update, and Council prioritization of additional planning efforts. Planning Commission review is scheduled on April 21, with recommendations to be provided to Council. Staff recommends Council review the draft project information, prioritize future items, and direct staff to implement the work program.

**Previous Council Action:**

January 13, 2021: Council adopted the *Renovation* Development Code (Title 18) Update.

February 26, 2020: Council adopted the *2020-25 Strategic Plan*.

September 21, 2019: Council reviewed the *Regional Strategy for Housing Affordability*.

July 31, 2019: Council adopted the *Sustainability and Climate Action Plan*

May 2, 2018: Council certified the *ReImagine Reno* Master Plan Update

December 13, 2017: Council adopted the *ReImagine Reno* Master Plan Update

April 19, 2017: Council adopted the *Downtown Action Plan*

**Background:** Reno’s Strategic Plan and Master Plan outline high-level priorities for community enhancement initiatives. The comprehensive planning work program helps to implement the goals and priorities that involve planning, regulatory, and infrastructure improvements.

The work program includes ongoing efforts related to regional land use and transportation planning; as well as targeted efforts to update specific plans and/or codes. Work often requires continued or incremental progress achieved over a period of years.

**Strategic Plan - Overarching Goals**

- Fiscal Sustainability**
  - Promote financial stability through long-term planning, pursuit of alternative revenue sources, and debt management.
- Public Safety**
  - Foster a safe city through enhanced public safety, prevention, and emergency response programs.
- Economic Opportunity, Homelessness, and Affordable Housing**
  - Work in partnership with other agencies to increase economic opportunities for residents, address the many impacts of homelessness, and support the creation and maintenance of affordable housing.
- Economic and Community Development**
  - Achieve a well-planned and economically sustainable Reno through proactive business attraction, community investment, a quality built environment, and efficient development services.
- Infrastructure, Climate Change and Environmental Sustainability**
  - Improve the City's infrastructure and protect the environment.
- Arts, Parks and Historical Resources**
  - Enhance the community's living experience through the arts, its public parks, and historical resources.



*Reimagine Reno* was a major update to the Master Plan approved in December 2017. The Implementation Plan (Chapter 5) outlines near-term and long-term efforts to implement the updated Policies with more detailed plans, ordinances, fee structures, and other initiatives. The chapter identifies seven priority initiatives and a suite of implementation strategies. The current status of each priority initiative is summarized below:

- PI-A: *Develop a Targeted Affordable and Workforce Housing Strategy.* The Regional Strategy for Housing Affordability was completed in May 2019. Partial implementation occurred with the Renovation Code update. Further implementation would occur with the proposed work program.
- PI-B: *Align the Annexation and Land Development Code with the Master Plan.* The Renovation development code update was adopted on January 13, 2021. Further implementation would occur with the proposed work program.
- PI-C: *Continue to Advance Implementation of the Downtown Action Plan.* Completed work includes the establishment of the Downtown Reno Business Improvement District, adoption of new Downtown Streetscape Standards, construction of the Nevada Cares Campus, and adoption of the Downtown Reno Circulation Study with the 2050 Regional Transportation Plan Update.

- PI-D: *Demonstrate the City's Commitment to Responsible and Well-Managed Growth.* Significant implementation occurred with the Renovation code update. Further implementation would occur with the proposed work program.
- PI-E: *Develop a City-Focused Economic Development Strategy.* Implementation pending.
- PI-F: *Pursue Opportunities to Increase Flexibility and Available Tools for Funding and Financing Infrastructure and Services.* Progress was made with adoption of the Police Service Facility Plan and impact fee system. Further implementation would occur with the proposed work program.
- PI-G: *Complete the City's Sustainability and Climate Action Plan and Commit to Monitoring the City's Progress Toward Established Targets Over Time.* The Sustainability and Climate Action Plan was adopted and implementation is ongoing.

**Discussion:** Recommended priorities for FY 21/22 address topics identified in the Strategic Plan, the Master Plan Implementation Chapter, and ongoing Council input. This work will more fully implement the following Master Plan Priority Initiatives:

- PI-A *Develop a Targeted Affordable and Workforce Housing Strategy;*
- PI-B *Align the Annexation and Land Development Code with the Master Plan;*
- PI-D *Demonstrate the City's Commitment to Responsible and Well-Managed Growth;* and
- PI-F *Pursue Opportunities to Increase Flexibility and Available Tools for Funding and Financing Infrastructure and Services.*

Elements of the recommended work program includes ongoing responsibilities, completion of in-process projects, public facility plan updates, follow-up work from the zoning code update, and council prioritization of additional planning efforts. Each work category is summarized below.

**Ongoing Responsibilities:** Ongoing work includes advocacy, support, and implementation efforts primarily associated with the Truckee Meadows Regional Plan and the Regional Transportation Plan. FY 21/22 is an off-year for major plan updates. Planned work includes:

- Regular meeting and reporting obligations.
- Regional Plan implementation measures for “Tier-3” land use, natural resource, and public facility plans. This effort would cover properties on the Virginia Range and is expected to also address plans and regulations related to horse management.
- Implementation measures from the recently-adopted 2050 Regional Transportation Plan, including a focused planning and design study for the Virginia Street corridor in Downtown Reno.
- Regional Planning Agency work related to broader public infrastructure and investment planning may also commence in FY 21/22.

- Additionally, several planning-related bills have been introduced at the 2021 Session of the Nevada Legislature. Those that are passed may require amendments to City plans and/or codes.

***Completion of in-process projects:*** Projects that have been initiated and are scheduled for completion in FY 21/22 include:

- Packaged Alcohol ordinance update;
- Tree Protection ordinance update;
- Ordinance updates for public meals and homeless service providers;
- Updated park, trail and open space plans; and
- Updates to the Mortensen-Garson Overlay District.

***Public facility plan updates:*** This work program would implement a recommended 2021/22 Strategic Plan priority to update plans and funding mechanisms for necessary public services and facilities. The work program would also implement Master Plan priority initiatives PI-D *Demonstrate the City's Commitment to Responsible and Well-Managed Growth* and PI-F *Pursue Opportunities to Increase Flexibility and Available Tools for Funding and Financing Infrastructure and Services*.

Public facility planning and financing is a longstanding challenge that can be addressed in part through this initiative. Initial work would clearly define existing and future public facility needs and expenses. The focus would involve services for which Reno is primarily responsible, including wastewater collection and treatment, stormwater management, transportation (including non-regional routes), police protection, fire protection, and parks and recreation. Once plans are updated, funding strategies can be implemented to construct the necessary improvements in accordance with the Concurrency Management section of the Master Plan.

Facilities to serve new growth are often funded with connection fees, impact fees, and similar mechanisms, while facilities to serve the existing population are typically funded with taxes and other revenue sources that are not associated with development projects.

Future facilities related to water, wastewater, and regional roads are currently funded through established connection/impact fee mechanisms, which are updated periodically. A Police Facility Plan and impact fee system was established in 2020. Work is underway to update wastewater plans and connection fees and to establish storm water facility plans and fees.

Development fees for Parks (Residential Construction Tax) are insufficient to cover the cost of improvements needed to support growth. Work on a park and recreation facility plan is underway. Additionally, there are no programmatic fees to fund fire facilities that are needed to

support future growth. Impact fee systems are allowable for park and fire facilities and should be considered following the completion of plan updates.

A generalized process for public service and facility plan updates is included in **Attachment 1**.

***Follow-up work from the zoning code update:*** Follow-up work identified during the zoning code update process includes:

- Targeted amendments to the Master Plan to reflect the new zoning districts and other changes that have been adopted into code.
- A program for neighborhood scale reviews of zoning maps, overlay district standards, and neighborhood scale capital improvement recommendations. This is anticipated to be a multi-year effort to incrementally review and update zoning designations and related topics to address neighborhood preferences and more fully implement *ReImagine Reno*. Notably, Reno currently has about 6,000 parcels with inconsistent master plan and zoning map designations. Staff recommends the initial work focus on areas where master plan / zoning inconsistencies are widespread. There are also areas where the current Master Plan and zoning designations have not been comprehensively reviewed in decades and instead reflect approved property owner applications interspersed with very old (and sometimes inappropriate) map designations. Following these reviews, zoning maps and capital improvement priorities should be more compatible with existing development and more consistent with the Master Plan. A detailed outline of the proposed program is provided in **Attachment 2**.
- A six-month package of “clean-up” code amendments. This project will address questions and unintended consequences that invariably arise following a major code update. A list of “clean-up” refinements is being compiled based on project reviews under the updated code. Review is scheduled to occur in June (Planning Commission) and July (Council). Additional amendments may be proposed later in the fiscal year in a second or third round of “clean-up” amendments.
- Council prioritization of additional ordinance updates, which should be informed by the “list of potential future code amendments” that was compiled during the code update process. Potential work efforts and a prioritization process is outlined below.

***Council prioritization of additional planning efforts:*** During the code update process, stakeholder recommendations that were outside the scope of the update were placed on a list of potential future code amendments for later prioritization and completion. Now that the update is complete, staff can start work on some of these projects.

The amount of work that can be completed with an appropriate level of diligence will be influenced by budget decisions and long range planning staffing levels. Reno currently has one principal planner assigned to long range planning, with additional support provided by current

planners (when available) and by the management team. The department’s FY 21/22 budget request includes one senior planner and one-half of a proposed GIS analyst to focus on long range planning efforts. If approved, the additional staff would significantly increase the rate of project completion.

The latest list of potential code amendments is outlined in the table below. Recommendations for a prioritization process are outlined following the table.

Potential Code Amendment Topic	Notes
<b><i>Part 1: Required Work, In-Process Work, and Code Update Implementation Efforts</i></b>	
<p><u>Business Licenses for Package Alcohol, Beer and Wine:</u> This is a targeted amendment to address businesses with package alcohol licenses and package beer and wine licenses.</p>	<p>On May 8, 2019, Council passed a one year Moratorium and directed staff to prepare code amendments. Due to COVID-19, the moratorium has been extended through 2021. Council provided direction on October 28, 2020 to prioritize the topic and expedite ordinance development. Completion is planned in summer 2021.</p>
<p><u>Tree Protection Ordinances:</u> This is an initiative of the Urban Forestry Commission to enhance Reno’s tree protection ordinances. Updates to development standards are included in the Code update. This additional work will primarily focus on protection, maintenance, and enforcement provisions for existing trees.</p>	<p>Staff work has occurred based on City Manager direction. Council review of an ordinance framework (and formal initiation of a code amendment) is scheduled to occur in the near future.</p>
<p><u>Amendments to the Mortensen-Garson Overlay District (MGOD):</u> This is a code amendment to clarify requirements of the MGOD.</p>	<p>Council initiated an ordinance update. A series of stakeholder meetings have been held. Completion is planned in summer 2021.</p>
<p><u>Homeless Service Facilities:</u> Review and update use standard for homeless facilities to better align with the new Nevada Cares Campus</p>	<p>Council initiated an ordinance update. Completion is planned in spring or summer 2021.</p>
<p><u>Neighborhood Engagement Efforts:</u> A process is planned to review zoning maps, neighborhood plan overlays, and capital improvement priorities at the neighborhood scale following adoption of the Code update.</p>	<p>This is a priority initiative to begin following adoption of the Code update. The process will involve about 20 distinct outreach efforts to be completed over a period of several years.</p>

<p><u>Conservation District Overlays</u>: In coordination with neighborhood stakeholders, prepare overlay district standards for the Powning, Newland Heights and Wells Avenue Conservation Districts.</p>	<p>This a priority initiative to be completed in conjunction with Neighborhood engagement efforts following adoption of the Code update.</p>
<p><u>Ongoing Code Maintenance</u>: Staff recommends a regular and continuing process to monitor and refine the updated code as needed following its adoption. Reviews would occur 6 and 12 months following code adoption - and as otherwise needed to address issues.</p>	<p>This is a priority initiative to complete following adoption of the Code update.</p>
<p><u>Virginia Range Land Use and Recreation Plan</u>: This is a potential project to address land uses, transportation and recreation in the Virginia Range, including wild/feral horse management.</p>	<p>This work has not been formally initiated, however Council has expressed interest in expediting work during several development review hearings and aspects of this effort are required by the Regional Plan prior to approval of zoning changes.</p>
<p><u>Technology and Engagement Improvements</u>: Use technology and data to engage the public, make information more accessible, and publically display metrics for monitoring and assessing the implementation of the Master Plan through dashboards.</p>	<p>Staff continues to improve the access to information and has implemented new ways to engage the community on development projects, including a second project notification early in the review process. Data-driven metric tracking has not been started and will require additional staffing (GIS analyst).</p>
<p><b><i>Part 2: Potential Additional Work Programs</i></b></p>	
<p><u>Affordable Housing - Phase 2 Amendments</u>: This potential project would evaluate additional Code amendments to support affordable housing beyond those included in the Code update. Allowances for accessory dwelling units in single family areas (with design standards) and/or inclusionary housing ordinances are commonly used for this purpose.</p>	<p>Pending prioritization process.</p>
<p><u>Review of Short Term Rental Ordinances</u>: This topic was not addressed in the Code update and could be considered in FY 21/22. Washoe County recently adopted a short term rental ordinance, which could be referenced when developing an ordinance for Reno.</p>	<p>Pending prioritization process.</p>
<p><u>Flood Hazards: Phase 2 Amendments</u>: This potential</p>	<p>Pending prioritization process.</p>

<p>project would evaluate additional Code amendments related to Flood Hazards beyond the increased retention/detention standards for certain areas that was included in the Code update.</p>	
<p><u>Wetlands and Streams</u>: This potential project would evaluate Code amendments related to Wetlands and Streams beyond the protection prioritization language that was included in the Code update.</p>	<p>Pending prioritization process.</p>
<p><u>Major Drainageways</u>: This potential project would update ordinances related to Major Drainageways. The current ordinance generally regulates water courses that drain over 100 acres in a similar manner. Refinements could establish standards that provide greater differentiation between drainageway regulations based on the catchment size and/or environmental considerations.</p>	<p>Pending prioritization process.</p>
<p><u>Annexation Program Update</u>: This project would update the City of Reno Annexation Program, which expired in 2017. The annexation program is typically used when involuntary annexations are being considered.</p>	<p>Pending prioritization process.</p>
<p><u>Low Impact Development (LID)</u>: This is a potential project to update site development and engineering standards with increased utilization of Low Impact Development Practices.</p>	<p>Pending prioritization process.</p>
<p><u>Urban Wildland Interface and Fire Safety</u>: This is a potential project to expand upon the Code update additions for fire-safe development and vegetation management standards.</p>	<p>Pending prioritization process.</p>
<p><u>Signs - Phase 2 Amendments</u>: This potential project would evaluate Code amendments for on premise signs. The current ordinance regulates certain signs on a parcel basis, which has resulted in different sign standards for commercial centers that are or are not split into multiple parcels.</p>	<p>Pending prioritization process.</p>
<p><u>Telecommunications Ordinances</u>: This is a potential project to update ordinances related to telecommunications, including Spectrum Act requirements, 5G deployment, autonomous vehicle support, incorporation into new development, and flexibility with new technology.</p>	<p>Pending prioritization process.</p>

<p><u>Rental unit requirements, including a potential prohibition on animal breed restrictions in rental units:</u> This is a potential project to update and expand ordinances for rental properties. The intent would be to explore options to prevent breed-based rental limits to better support adoption of shelter dogs and reduce barriers to housing.</p>	<p>Pending prioritization process.</p>
<p><u>Habitat Management Plans:</u> This is a potential project to develop/update plans and ordinances related to wildlife habitat management.</p>	<p>Pending prioritization process.</p>
<p><u>Review of Sustainability Ordinance:</u> This is a potential project to review options for sustainability ordinances that go beyond the measured adopted with the Code update.</p>	<p>Pending prioritization process.</p>
<p><u>Trip Reduction Ordinance:</u> Process an amendment to business license codes to include draft trip reduction language that was previously proposed for title 18.</p>	<p>Pending prioritization process.</p>
<p><u>Appeals and Related Procedures:</u> Continue review of policy options for appeals, potential call-up and referral procedures, and survey requirements.</p>	<p>Pending prioritization process.</p>
<p><u>Residential compatibility:</u> Consider standards for development near residences in mixed use areas.</p>	<p>Pending prioritization process.</p>
<p><u>Historic Preservation:</u> Consider updates to Historic Preservation Ordinance to permit the listing of districts on the local register with less than 100% property owner consent.</p>	<p>Pending prioritization process.</p>

This list includes 17 major planning initiatives. While all topics are worthy of further review, staff resources will not support completion of all work in 2021/22, even with an increased budget for comprehensive planning. Therefore, a prioritization process is recommended whereby each Council Member would identify their top five priorities (in order) for work in the coming fiscal year. Five points will be given for the highest priority, four points for second priorities, etc. All votes will be compiled and work will be prioritized based on the number of points received.

To assist with this prioritization process, staff assembled a matrix with potential work efforts organized by importance and complexity (**Attachment 3**). Presumably, those topics with the greatest impact and least complexity would be high priorities. This matrix is subjective and may not align with the views of each Council Member. Therefore, it should be viewed as purely advisory and should not constrain how each Council Member prioritizes work.

Based in this evaluation, staff recommends the highest priority “new project” be phase 2 work for housing affordability. Housing affordability has become an increasingly significant challenge, as evidenced by Reno’s recent inclusion on several “least affordable City” lists.

Council has responded with a variety of efforts to support housing affordability. This effort would expand upon existing programs. Some commonly utilized and effective approaches to help address housing challenges include:

- Allowances for accessory dwelling units in single family districts, which staff recommends be packaged with strong design and monitoring requirements to address concerns raised during the City’s prior consideration of the topic.
- Allowances for increased residential density. Some amendments were included with the Code update. Other “upzonings” are anticipated to be processed with the neighborhood outreach efforts. Further refinements could be included with an affordable housing ordinance package.
- Adoption of inclusionary housing ordinances. These typically require that housing projects either include an affordable component or pay an in-lieu fee to support affordable housing projects in other locations. The affordable housing agreements that have recently been included with certain projects are generally consistent with typical requirements for inclusionary housing ordinances.
- Adjustments to fee structures to provide financial incentives (and remove disincentives) for more affordable housing products. For example, sewer connection fees and regional road impact fees could be changed from a “per-unit” fee to a fee based on the unit size or value. This would shift some cost burden from smaller more affordable housing units to larger and more expensive units.

A project ranking sheet is provided as **Attachment 4**. Staff recommends each Council Member identify their top five priorities (in order) on the sheet.

**Financial Implications:** Work will be completed to the extent allowed by existing and future budgets. Action on this item does not have direct financial implications.

**Legal Implications:** Legal Review completed for compliance with City procedures and Nevada law.

**Recommendation:** Staff recommends Council review the draft project information, prioritize future items, and direct staff to implement the work program.

**Proposed Motion:** I move to approve staff recommendation.

**Attachments:**

- Attachment 1\_Public Facility Planning (PDF)
- Attachment 2\_neighborhood outreach process (PDF)
- Attachment 3\_Project impact matrix (PDF)
- Attachment 4\_New project ranking sheet (PDF)