



# Nevada Affordable Housing 101

March 2022



The [Nevada Housing Coalition](#) empowers organizations to be part of the solution to our affordable housing crisis in Nevada through accurate data, sustainable programming, and purposeful collaboration.

Our mission is to create sustainable solutions through community awareness, capacity building, and advocacy to ensure housing options for all Nevadans.

# Affordable Housing in Nevada

Affordable housing is a complex and nuanced, and often misunderstood issue that affects people, places, communities, and the economy. With our severe shortage of affordable homes, Nevada Affordable Housing 101 was created to provide grounding information around housing with the intent to develop a shared understanding of the affordable housing landscape in Nevada.

This resource was developed in partnership with Enterprise Community Partners and as part of a generous grant by Charles Schwab Bank. It's through education and collaboration that we empower ourselves and each other to create a better, brighter future for all Nevadans.



# **Housing 101 Part 4**

## **State Housing Toolkit: Policies**

# Overview of the Nevada Housing Policies

**Only a high level of policies are covered:**

	Policy	How can it address housing?
1	Affordable Housing Element in Housing Plan	<ul style="list-style-type: none"><li>• Strategic planning and catalytic investing</li></ul>
2	Density Bonus	<ul style="list-style-type: none"><li>• Promotes affordable housing developments</li></ul>
3	Community Land Trust (CLT)	<ul style="list-style-type: none"><li>• Improves and diversifies pathways to homeownership</li></ul>
4	Impact Fees	<ul style="list-style-type: none"><li>• Promotes new affordable housing developments</li></ul>
5	Incentives for Transit-Oriented Development	<ul style="list-style-type: none"><li>• Connects affordable housing and transportation investments</li></ul>
6	Tax Incremental Financing	<ul style="list-style-type: none"><li>• Promotes preservation, revitalization and development</li></ul>
7	Inclusionary Zoning	<ul style="list-style-type: none"><li>• Creates new affordable housing or funding opportunities</li></ul>
8	Preservation	<ul style="list-style-type: none"><li>• Early notification for the termination or expiration of affordable housing</li></ul>
9	Transitional Housing	<ul style="list-style-type: none"><li>• Innovative housing solutions for those most in need</li></ul>

# Affordable Housing Element in Master Plan

**NRS 278.150**: Nevada legislation requires counties whose population is over 100,000 to develop and carry out housing plan required in master plan.

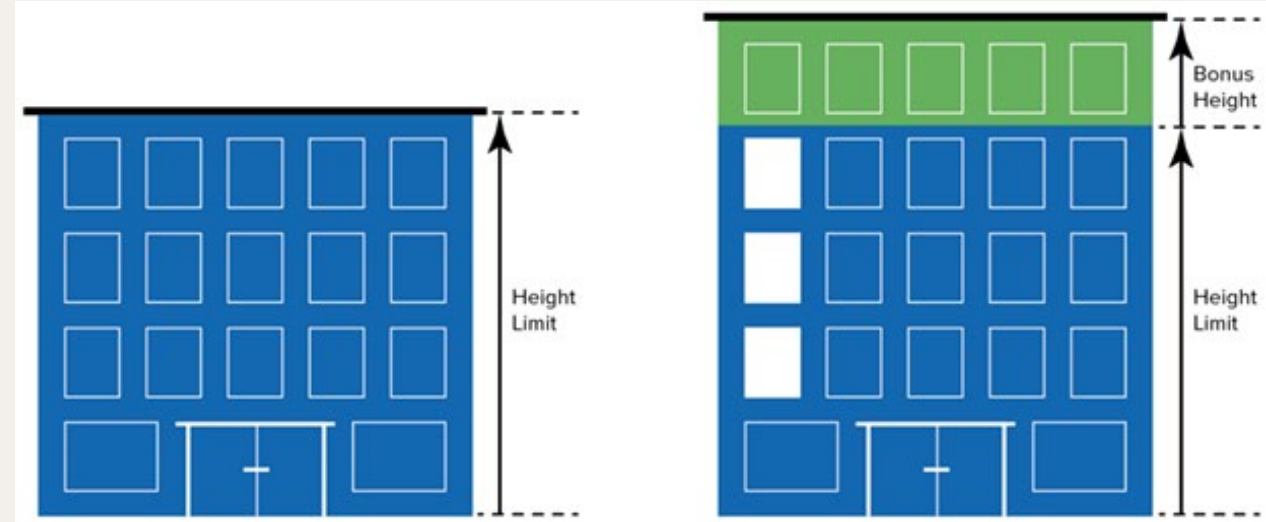
**NRS 278.235**: Nevada legislation requires counties who implement a housing plan to adopt at least six of the following affordable housing measures:

1. Reduce Impact Fees
2. Selling publicly owned land
3. Donating publicly owned land
4. Leasing publicly owned land
5. Requesting to purchase federally owned land at a discounted price
6. Establishing an affordable housing trust fund
7. Expediting permits for affordable housing developments
8. Providing financial incentives or density bonuses to support other affordable housing tools
9. Providing financial incentives or density bonuses for Transit Oriented Development
10. Density bonuses or other incentives for affordable housing developments
11. Direct financial assistance to applicants for purchase or rental of affordable housing
12. Supportive housing and services

# Density Bonus

**Density Bonus** is an incentive-based tool leveraged by local entities which allows developers to build at a higher density in exchange for financial commitments or to accomplish policy goals.

Density bonuses work best in market-rate construction areas and are a great tool to promote mixed-income communities.



*Source: Municipal Research and Services Center of Washington (MRSC)*

## Best Practices

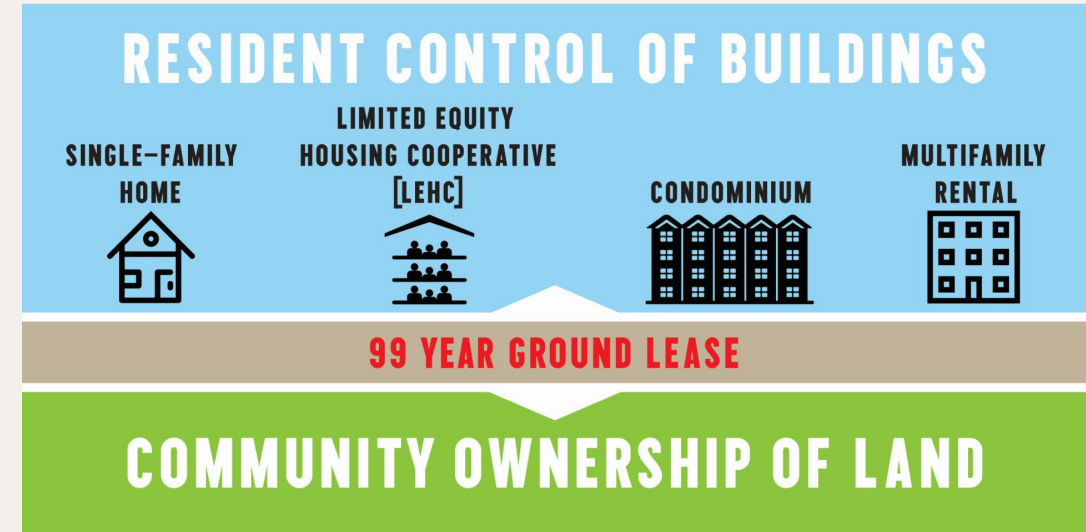
- Special density bonuses for specific revitalization areas
- Common cost offsets in mandatory inclusionary zoning policies
- Linkage of density with transportation and land use
- Outreach and education are used to generate support for appropriate densities in the right locations.

# Community Land Trusts (CLT)

**Community Land Trusts** are nonprofit, community-based organizations designed to ensure community stewardship of land and primarily used to ensure lasting affordability.

**Golden Valley Homes**: The City of Reno donated 2.5 acres of land in Golden Valley to the Community Housing Land Trust (Community Foundation of Northern Nevada) in October 2020 to develop single-family homes for ownership for buyers making less than 80% of AMI.

**NHC Lunch & Learn featuring Community Land Trusts**



Source: Oakland Community Land Trust (OAKCLT)

## Best Practices

- Local jurisdictions can prioritize CLTs for allocations of local funds and federal funds
- Fund homeownership education and financial counseling
- Long lasting cross-sector partnership

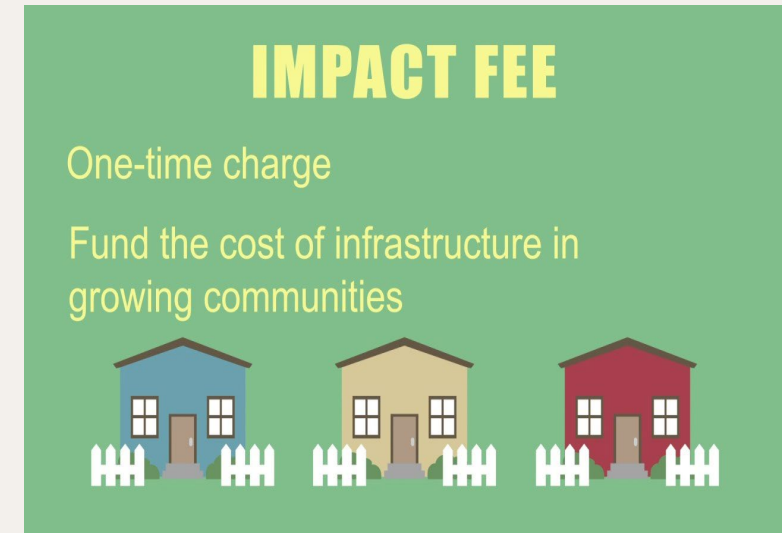


# Impact Fees

[Reducing or waving impact fees](#) for developments that meet affordability objectives is one way to reduce the cost of developing affordable housing. This is an incentive-based tool. The [City of Reno](#) and [Clark County](#) have adopted local ordinances to waive and reduce fees/taxes for affordable housing projects.

In April 2021, the City of Reno waived approximately \$1M in fees:

- Springview by Vintage Apartments Affordability: 180 apartment units of entirely affordable housing. They will be income-restricted at or below 60% of the Average Median Income in the county.
- Marvel Way Empowerment Center Apartments Affordability: 42 units of affordable multi-family housing. Applicants must have an Average Median Income at or below 50%.



*Source: Utah League of Cities and Towns*

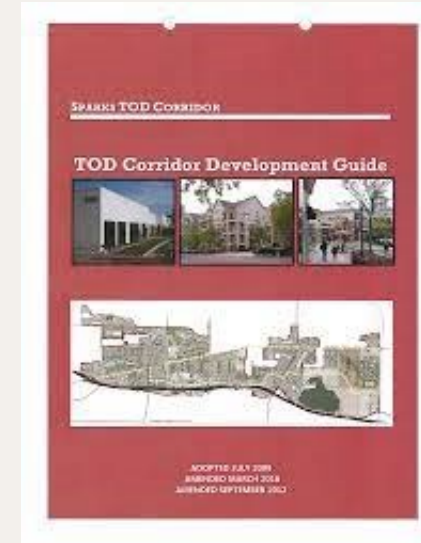
## Best Practices

- An alternative to inclusionary housing programs is a housing development impact fee on new residential development
- Foster affordable housing development in areas with high-performing schools or access to transit

# Incentives for Transit-Oriented Development (TOD)

**TODs** can be defined as compact mixed-use development planned around transit hubs and accessible to walkable neighborhoods.

**City of Sparks:** the City of Sparks adopted the TOD Plan in 2009. The TOD eliminates the need for master plan amendments for higher densities, simplifying the entitlement process.



Source: The City of Sparks

## Best Practices

- Joint development on land owned by transit and other agencies (or local school districts)
- Combine with employee-assisted housing programs

# Tax Incremental Financing (TIF)

**TIF** districts can catalyze housing production in location-efficient areas both directly and indirectly, leveraging existing state housing programs and policies.

**State Legislation NRS 279**: Allows local government to create redevelopment agencies, redevelopment areas, and to use TIFs for the purpose of community redevelopment and elimination of blighted area.

## Best Practices

- Tie affordability requirements to development in a TIF district
- States can enable the creation of affordable housing TIF districts established to support the creation and financing of new affordable housing
- States can limit the percentage of land area within a municipality that can be designated as a TIF district

# Inclusionary Zoning

**Inclusionary Zoning** is a zoning that requires or provides incentives to a developer who builds residential dwellings to build a certain percentage of affordable housing. It was enabled in Nevada in **NRS 278.250** in 1999; however, no jurisdiction has implemented this policy to-date.

This tool works best when deployed strategically in areas throughout a region where it is economically feasible.

Partnerships between private developers and affordable housing developers and/or entities can bridge the gap in capacity and expertise.



Source: City and County of Denver

## Best Practices

- Design and location standards between market-rate and affordable units
- A set of alternatives such as pay in-lieu fees to fund affordable housing developments or trust funds
- A set of incentives such as density bonuses or tax abatements
- Engagement and education for developers and public around the development options and trade-offs

# Preservation

Unless part of a Community Land Trust, or other arrangement in which the affordability goes into perpetuity, the affordability restrictions associated with an affordable property expire, or in some cases, terminate early. In Nevada, the loss of affordable properties to the market have resulted in no net increase in affordable inventory (as shown in Affordable Housing 101 Part 2: Area Median Income & Supply). Additionally, within the next few years, estimates from the Nevada Housing Division show that there are 7,500 units at high risk of going to market.

In the 2021 Legislative Session, the legislature passed [State Legislation SB12](#). This new law now requires affordable housing property owners to provide notification at least twelve months prior to the end of the affordability period, to the Nevada Housing Division, the local jurisdiction, and tenants. This provides stakeholders time for collaboration and efforts around the preservation of affordable units.

## Best Practices

- Develop a preservation inventory that gathers information about specific affordable multifamily rental properties
- Right of first refusal policy for mission-oriented buyers
- Dedicated source of funding for preservation

# Transitional Housing

**Transitional housing programs** provide supportive services and capital assistance to those most in need while keeping them housed.

**Hope Springs**: Hope Springs is a transitional rehabilitation program that will allow individuals to stay in tiny homes for four to six months and build the foundation needed to move into more permanent housing.



Source: Northern Nevada HOPES

## Best Practices

- Prioritize or allocate a certain portion of the state fund towards support for transitional housing and/or homelessness response
- Zoning that supports group living facilities





# NEVADA Housing Coalition

## Thank You

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