



HOUSING INCENTIVES

RECOMMENDING COMMITTEE
JANUARY 3, 2023
ITEM 4
BILL 2022-29

Submitted at Recommending Committee
Date: 1/3/2023 Item: 4
By Staff

Submitted after Final Agenda (City Council)
Date: 1/3/2023 Item: 24
By Staff



2050 MASTER PLAN

- Land Use and Housing Goals
 - Infill and Transit-Oriented Development (TOD)
 - Diversify and improve housing stock
 - Reduce appropriate regulatory barriers to housing development
 - Incentivize housing development
- City Council authority for development housing incentive measures authorized under NRS and Las Vegas City Charter
- 22-0477-TXT1 approved by Planning Commission at its November 15, 2022 meeting

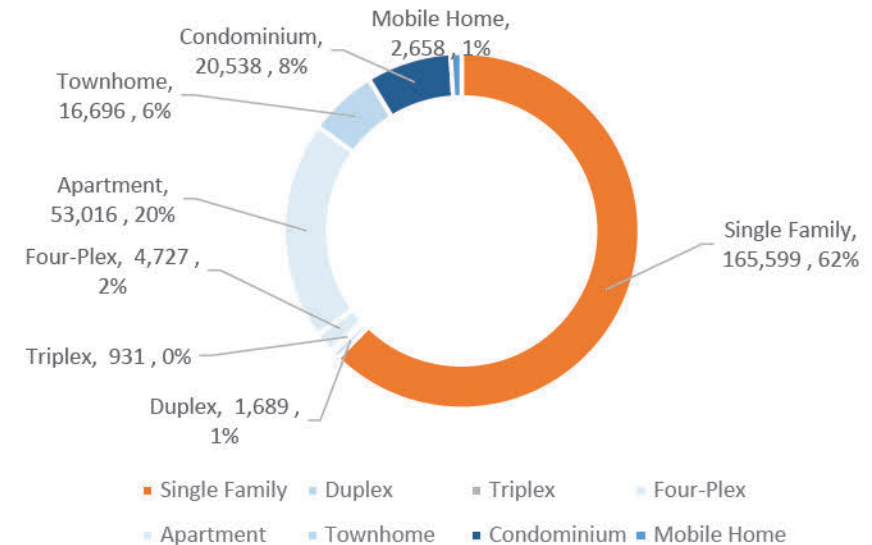


LAND USE & HOUSING GOALS

- Existing Conditions, opportunities, and challenges described in Plan and 2022 Annual Report:
 - Lack of types and choices, including “missing middle” housing
 - Relatively new housing stock in good condition
 - Housing cost metrics have not been improving
 - Housing impediments remain:
 - Financing
 - Zoning and code requirements
 - Assistance programs

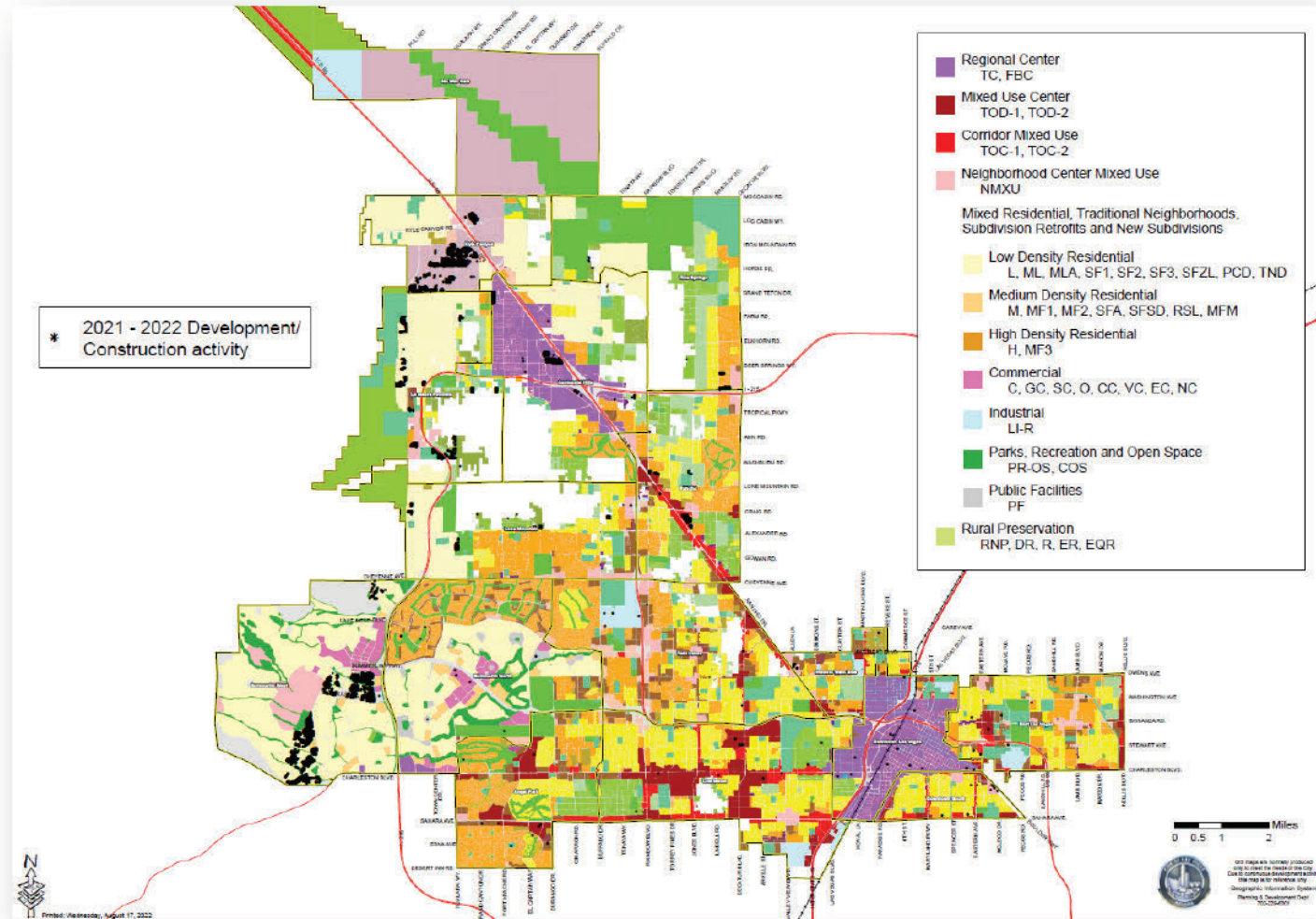


Dwelling units by type



LAND USE & HOUSING GOALS

- Existing Conditions, opportunities, and challenges described in Plan and 2022 Annual Report
 - High housing and transportation costs
 - Less than 2% of the total housing units built in 2021 were affordable
 - Most new development is suburban; infill and redevelopment is contemplated along major corridors (4% of total development in 2021)
 - New housing types and locations align with the plan's overall strategy for transit-oriented development (TOD), infill, and redevelopment



NRS 278.235 – HOUSING MEASURES

- Six measures are required of the City for housing development and maintenance, all of which are now incorporated into 2050 Master Plan

—Existing adopted and utilized in 2021:

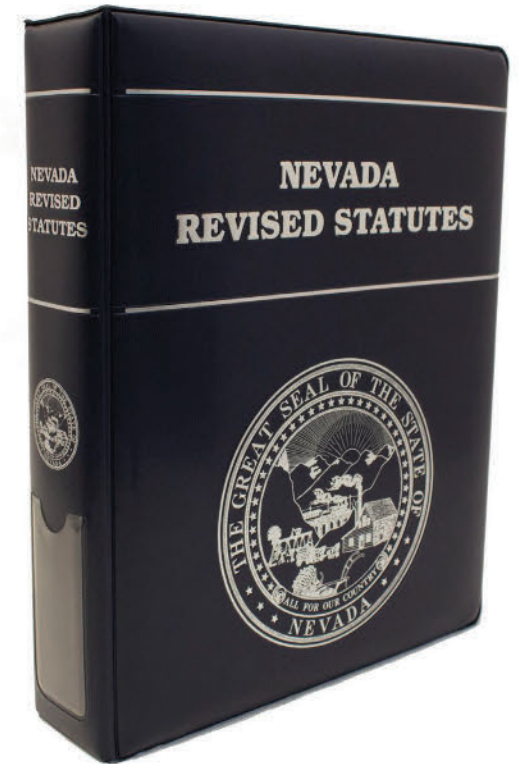
- Donate land to non profits
- Support using government assistance
- Direct assistance to qualified applicants
- Support services in line with HUD 5-year plan

—Discussed and authorized in Master Plan (2020 / 2050):

- Sale of land owned by the City for housing development
- Lease land owned by the City
- Requesting purchase of land through SNPLMA

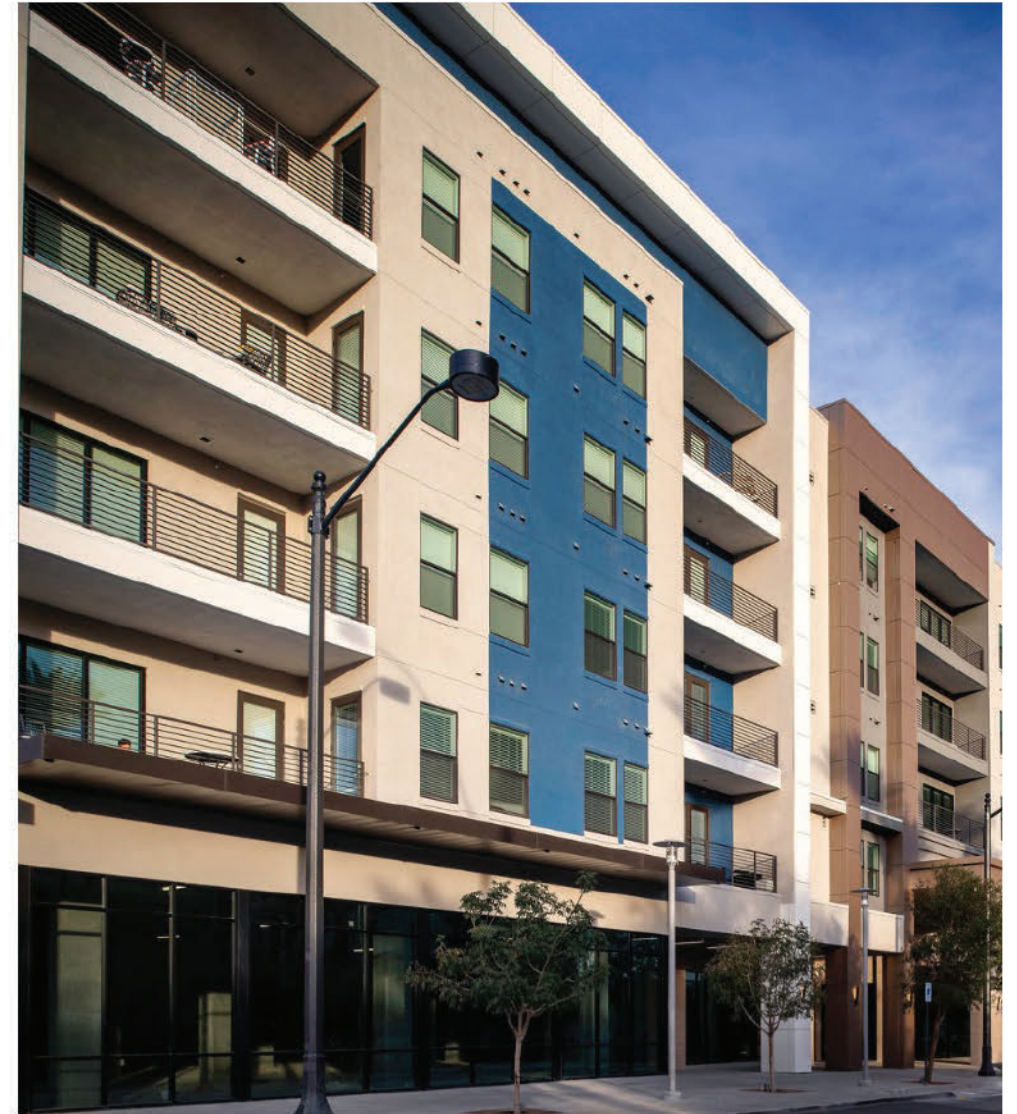
—With bill's approval, remaining measures would be authorized:

- Reduce or subsidize building or impact fees
- Prioritized approval process
- Density bonuses / incentives for TOD
- Density bonuses for other development types
- Establishment of housing trust fund



SCOPE OF BILL

- New definitions aligned with HUD
- Criteria and procedures for participation, coordinated between Community Development and Neighborhood Services
 - Minimum number of units required
 - Applicable citywide, with focus on TOD uses (TOD-1, TOD-2, TOC-1, TOC-2, NMXU) and Downtown (FBC)
- Incentives
 - Prioritized Plan Review
 - Density Bonus
 - Height Bonus (Amends existing provision in Title 19.09)
 - Building and Planning fee reductions
- Creation of Housing Trust Fund



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PROPOSED FIRST AMENDMENT

BILL NO. 2022-29

ORDINANCE NO. _____

AN ORDINANCE RELATED TO AFFORDABLE HOUSING; AMENDING LVMC TITLE 19 TO ADD A NEW CHAPTER GOVERNING BONUSES AND INCENTIVES FOR THE DEVELOPMENT OF AFFORDABLE HOUSING IN REPLACEMENT OF EXISTING PROVISIONS ON THE SUBJECT; ESTABLISHING AN AFFORDABLE HOUSING TRUST FUND; AND PROVIDING FOR OTHER RELATED MATTERS.

Sponsored by: Councilman Brian Knudsen

Summary: Amends LVMC Title 19 to add a new chapter governing bonuses and incentives for the development of affordable housing in replacement of existing provisions on the subject, and establishes an affordable housing trust fund.

THE CITY COUNCIL OF THE CITY OF LAS VEGAS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1: Ordinance No. 6289 and the Unified Development Code adopted as Title 19 of the Municipal Code of the City of Las Vegas, Nevada, 1983 Edition, are hereby amended as set forth in Sections 2 to 4, inclusive, of this Ordinance. The amendments are deemed to be amendments to Ordinance No. 6289 and to the Unified Development Code adopted as Title 19.

SECTION 2: Section 19.09.100 is amended by deleting Subsection (J) in its entirety and replacing it with a new Subsection (J), reading as follows:

19.09.100.J Open Space In-Lieu Fee

1. The owner of a proposed development concerning which open space will be required by the City may request to pay the City a fee in lieu of complying with the open space requirement. The option to pay the fee must be requested in advance of the submittal of any related development applications. Approval of the payment of such an in-lieu fee must be part of the approval of a site development plan review for the development. A request for such a payment must first be approved by the Director, which approval must be based on staff findings as follows:

a. That, within the District in which the development is proposed, there is open space available

or planned that is sufficient to offset the need for the open space otherwise required to be provided by the

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1 project; and

2 b. That the open space in Subparagraph (a) above will be made available within a reasonable
3 time period after the approval of the development.

4 2. The amount of the in-lieu fee for a particular development shall be determined by the Department
5 based on the current value of land and estimated construction costs for the needed open space, taking into
6 account the square footage of open space required for the project under this Code but not to be provided by
7 the applicant. The in-lieu cost per square footage of required open space, as amended at the beginning of
8 each calendar year, shall be made available to the developer upon request and kept for the Department's
9 records.

10 3. The approval of an in-lieu payment under this Section and the terms thereof must be reflected in an
11 agreement to bind the developer, in a form or format provided by the Department. The agreement shall form
12 part of the project's approval and shall be recorded against the property.

13 SECTION 3: Title 19 is amended by adding thereto a new chapter, designated as Chapter
14 17, consisting of Sections 10 to 100, inclusive, reading as follows:

15 **19.17.010 Density Bonuses, Height Bonuses and Financial Incentives**

16 Certain applications under Chapter 19.16 for the development or maintenance of affordable housing shall be
17 eligible for density bonuses, height bonuses and financial incentives (or a combination thereof) as are
18 authorized by NRS 278.235 and described in this Chapter. The administration and enforcement of the density
19 bonus, height bonus and financial incentive provisions of this Chapter is intended to be a coordinated effort
20 between the Director of Community Development and the Director of Neighborhood Services, including
21 their respective designees.

22 **19.17.020 Applicability and Eligibility**

23 The density bonus, height bonus, and financial incentive provisions of this Chapter apply only to residential
24 or mixed-use projects to be located on property whose General Plan category or zoning classification is
25 described in Section 19.17.030. In addition, no project is eligible for a density bonus or financial incentive
26 unless:

1 A. The project qualifies under the affordable housing criteria described on Section 19.17.030;
2 and

3 B. The developer of the project complies with the application and document-related
4 requirements of Section 19.17.040.

5 **19.17.030 Criteria and Requirements for Affordable Housing Bonuses and Incentives**

6 In order for an affordable housing project to qualify for a density bonus, height bonus, or financial incentive
7 under this Chapter, the affordable housing dwelling units must meet all of the following:

8 A. The minimum criteria for such a bonus or incentive as described in Sections 19.17.070 to
9 19.17.090, inclusive; and

10 B. In addition, the following minimum criteria and requirements:

11 1. The creation of a written document regarding the property that details the bonuses
12 and incentives for the property, as well as applicable affordable housing requirements. The document must
13 be recorded against the property and transferred to any future purchaser of the property at point of sale.

14 2 The property owner and any management company must keep all records of rental
15 agreements and property sales, and provide copies to the City in a timely manner upon request.

16 3 All dwelling units available for sale or for rent must retain the same affordable
17 housing status that qualified them for bonuses or incentives for a term of at least thirty years, commencing
18 from the date of the issued certificate of occupancy.

19 4. To the extent practicable, dwelling units qualifying as affordable housing must not
20 be clustered or concentrated within a multi-unit building or within the building site.

21 5. Dwelling units qualifying as affordable housing shall be of the same building
22 materials and finishes and have no other physical characteristics that would distinguish their appearance from
23 the project's non-affordable housing dwelling units

24 6. Dwelling units qualifying as affordable housing shall be of comparable quality to
25 similar market rate units in terms of features, layout, number of bedrooms and bathrooms, and square footage.

26 . . .

1 **19.17.040 Procedure**

2 A. In order to apply for one or more bonuses or incentives under this Chapter, a developer shall complete
3 an application therefor (an "Incentive Application") as part of or in connection with an applicable land use
4 application under Chapter 19.16. The developer must also submit an appropriate agreement (the "Binding
5 Agreement") to obligate the developer regarding its good faith commitments to provide affordable housing
6 under this Chapter. The developer's signature on the Binding Agreement must be acknowledged by a notary.

7 B. Upon receipt and review of a completed Incentive Application and Binding Agreement, as well as
8 verification of affordable housing criteria, assigned City staff will determine what bonuses and incentives, if
9 any, are to be offered to the developer. For a developer to whom bonuses or incentives are to be offered, the
10 Director will issue a letter verifying that applicable requirements have been met and referencing the bonuses
11 or incentives that are to be offered the developer, subject to final approval by the Planning Commission or
12 City Council, or both, as may be applicable. In each case where bonuses or incentives are approved, the
13 approval will specify the timing for making the bonuses or incentives available, whether issued by the City
14 for construction or after a certificate of occupancy has been issued.

15 C. As a condition of the approval of a bonus or incentive, the developer must agree to all pre-
16 construction reviews and post-construction verification and compliance by City designated staff. Thereafter,
17 the developer and the City will finalize the execution and recordation of the Binding Agreement.

18 **19.17.050 Violations, Remedies and Penalties**

19 A. Projects for which bonuses or incentives have been provided shall be constructed in accordance with
20 plans either as they were approved in connection with the Incentive Application, or with modifications that
21 are minor and would not negate, invalidate, prohibit or significantly limit the project's contribution to the
22 provision of affordable housing.

23 B. Any violation of the Binding Agreement by the developer or its successor shall constitute a violation
24 of the corresponding section of this Chapter as well as a contractual violation. Without limiting the scope of
25 such violations, examples of such violations include the failure to provide the number and type and character
26 of affordable dwelling units as agreed; the failure to provide to the City information regarding rent

1 affordability; and the failure to meet the minimum thirty-year affordability requirement.

2 C. Upon verification by the Director of Neighborhood Services that a violation of a Binding Agreement
3 has occurred, the City may invoke any of the remedies and penalties specified in the Binding Agreement,
4 which may include, but are not limited to: forfeiture or repayment of any monetary incentives provided by
5 the City; revocation of the property's certificate of occupancy; revocation of a business license; imposition
6 of fines; criminal or civil liability, or a combination thereof.

7 **19.17.060 Prioritized Review**

8 For any project seeking bonuses or incentives for affordable housing units under this Chapter, the Department
9 will:

- 10 A. Prioritize the review of entitlement applications, permits and related plans; and
11 B. Waive for the developer the fees for one express plans check.

12 **19.17.070 Density Bonus**

13 A project seeking a density bonus under this Chapter is eligible for a bonus determined in accordance with
14 Table 1 below, taking into account the applicable zoning district and the percentage of affordable housing
15 units proposed. The density bonus allowable refers to the number of units to be allowed in excess of the
16 number otherwise permitted by the General Plan.

17 **Table 1 – Density Bonus**

<i>General Plan Category/FBC Transect Zone</i>	<i>Minimum percentage of total dwelling units proposed as affordable housing units</i>	<i>Density Bonus</i>
TOD-1 TOC-1	10%	Up to 10 dwelling units per acre
TOD-2 TOC-2	10%	Up to 5 dwelling units per acre
NXMU	10%	Up to 5 dwelling units per acre
Any other category (but excluding R, DR and RNP)	10%	Up to 3 dwelling units per acre

26 ...

19.17.080 Height Bonus

A project seeking a height bonus under this Chapter is eligible for a bonus determined in accordance with Table 2 below, taking into account the applicable zoning district and the percentage of affordable housing units proposed. The height bonus allowable refers to the additional height to be allowed in excess of the height otherwise permitted by the General Plan or applicable zoning district. Nothing in the preceding two sentences, however, shall be deemed to authorize additional heights that would exceed the height limitations of an applicable overlay district or conflict with applicable residential adjacency standards.

Table 2 – Height Bonus

<i>General Plan Category/FBC Transect Zone</i>	<i>Minimum percentage of total dwelling units proposed as affordable housing units</i>	<i>Height Bonus</i>
TOD-1 TOD-2 TOC-1 TOC-2	10%	3 stories
NXMU	10%	2 stories
T4-N	10%	2 stories
T4-C	10%	3 stories
T4-MS	10%	3 stories
T5-M	10%	2 stories
T5-C	10%	3 stories
T5-MS	10%	3 stories
T6-UG T6-UG-L	10% 20% 30% 40%	1 story 2 stories 3 stories 4 stories
T6-UC	20% 30% 40% 50%	3 stories 4 stories 5 stories 6 stories

...

19.17.090 Fee Reductions

A project seeking financial incentives under this Chapter in the form of fee reductions is eligible for the fee reductions set forth in Table 3 below, subject to approval by the City Council after considering the recommendations of the Director of Community Development and the Director of Public Works. Fee types that might be subject to reduction include development-related fees under Title 19, building permit fees, and impact fees. Director recommendations and Council action shall take into account the type of project, the total number of dwelling units, the number of affordable housing units, and the applicable General Plan category and zoning district. The total amount of fee reductions for all qualified projects for any particular fiscal year shall not exceed the limit for such fee reductions that has been established by the City Council for that fiscal year.

Table 3 – Fee Reductions

<i>General Plan Category/FBC Designation</i>	<i>Type of affordable housing project</i>	<i>Minimum percentage of total dwelling units proposed as affordable housing units</i>	<i>Fee reduction percentage of applicable fees</i>
FBC (other than transect zones below)	Very-Low Income	50%	100%
TOD-1 TOD-2 TOC-1 TOC-2 NXMU	Very-Low Income	25%	100%
Any other category	Very-Low Income	10%	100%

19.17.100 City Council Review and Action Regarding Fee Reductions.

A. At least once per fiscal year, and at a public meeting, the City Council shall determine a total amount and type or portion of permit fees and impact fees that may be reduced as described in Section 19.17.090. Action taken by the City Council pursuant to this Subsection (A) shall be in consultation with the City Manager and the Directors of Community Development and Public Works, and shall take into account any recommendations of the Building and Safety Enterprise Fund Advisory Committee.

B. In taking action pursuant to Subsection (A), the City Council shall:

1 1. Take into account the effect of the reduction of building permit fees on the economic viability
2 of the City's General Fund and the economic viability of any affected enterprise fund; and

3 2. Make a determination that the reduction of building permit fees to be authorized under
4 Section 19.17.090 for the applicable period will not impair adversely the ability of the City Council to pay,
5 when due, all interest and principal on any outstanding bonds or any other obligations for which revenue
6 from such fees was pledged.

7 C. Action taken pursuant to this Section shall be subject to all applicable limitations and requirements
8 of NRS 278.235.

9 SECTION 4: Section 19.18.020 is amended by adding, at the appropriate locations, the
10 following terms and their corresponding definitions:

11 **Affordable Housing.** Except as the context otherwise requires, the spectrum of housing considered to be
12 affordable for a household with a total gross monthly income that corresponds to certain percentages of the
13 median monthly gross household income (AMI) for Clark County, Nevada. The term includes "Moderate-
14 Income Affordable Housing," "Low-Income Affordable Housing" and "Very Low-Income Affordable
15 Housing." For purposes of this definition, median gross household income must be determined based upon
16 the most current estimates of the United States Department of Housing and Urban Development regarding
17 Clark County, Nevada.

18 **Moderate-Income Affordable Housing.** Affordable housing for households that have a total monthly gross
19 income that is equal to more than 80 percent but not more than 120 percent of the median gross household
20 income. This term generally corresponds to "tier three affordable housing," as defined by NRS 278.01904.

21 **Low-Income Affordable Housing.** Affordable housing for households that have a total gross income that is
22 equal to more than 60 percent but not more than 80 percent of the median gross household income. This term
23 generally corresponds to "tier two affordable housing," as defined by NRS 278.01906.

24 **Very Low-Income Affordable Housing.** Affordable housing for households that have a total gross income
25 that is not more than 60 percent of the median gross household income. This term generally corresponds to
26 tier one affordable housing as defined by NRS 278.01902.

1 SECTION 5: As authorized by NRS 278.235 and Section 2.147 of the Las Vegas City
2 Charter, the City Council hereby establishes a trust fund known as the "City of Las Vegas Affordable Housing
3 Trust Fund." In connection with the establishment and administration of the trust fund, and subject to any
4 applicable statutory or regulatory limitations, the City Council authorizes:

5 (A) The trust fund to include revenue or transfers from any of the following sources to the extent
6 allowable by law and other governing provisions or restrictions:

- 7 (1) Donations;
- 8 (2) Grants;
- 9 (3) The City's General Fund;
- 10 (4) Bond proceeds;
- 11 (5) Special assessment proceeds;
- 12 (6) Interest income;
- 13 (7) Fees; or
- 14 (8) Rebates.

15 (B) Expenditures from the trust fund to:

- 16 (1) Finance the acquisition of land or buildings, construction, or rehabilitation of
17 affordable housing, including engineering or architectural work, supplies, equipment, and training, as well
18 as other incidental costs associated with the acquisition, construction or rehabilitation of affordable housing;
- 19 (2) Fund operations, marketing, supplies, or administrative costs related to the
20 acquisition, construction or rehabilitation of affordable housing;
- 21 (3) Fund the costs of any bond issuance, interim warrant, or other financing mechanism;
22 and
- 23 (4) Accumulate interest earned on deposited funds or revenues.

24 SECTION 6: For purposes of Section 2.100(3) of the City Charter, Section 19.18.020 is
25 deemed to be a subchapter rather than a section.

26 SECTION 7: The Department of Community Development is authorized and directed to

1 incorporate into the Unified Development Code the amendments set forth in Sections 2 to 4, inclusive, of
2 this Ordinance. This authorization and direction includes any formatting, technical or non-substantive
3 adjustments that may be deemed necessary or appropriate.

4 SECTION 8: If any section, subsection, subdivision, paragraph, sentence, clause or phrase
5 in this ordinance or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by
6 any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the
7 remaining portions of this ordinance or any part thereof. The City Council of the City of Las Vegas hereby
8 declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase
9 thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs,
10 sentences, clauses or phrases be declared unconstitutional, invalid or ineffective.

11 SECTION 9: All ordinances or parts of ordinances or sections, subsections, phrases,
12 sentences, clauses or paragraphs contained in the Municipal Code of the City of Las Vegas, Nevada, 1983
13 Edition, in conflict herewith are hereby repealed.

14 PASSED, ADOPTED and APPROVED this ____ day of _____, 2023.

15 APPROVED:

16
17 By _____
CAROLYN G. GOODMAN, Mayor

18 ATTEST:

19 _____
20 LUANN D. HOLMES, MMC
City Clerk

21 APPROVED AS TO FORM:

22 _____
23 Val Steed, Date
Deputy City Attorney

1 The above and foregoing ordinance was first proposed and read by title to the City Council on the ____ day
2 of _____, 2022, and referred to a committee for recommendation, the committee being
3 composed of the following members _____;
4 thereafter the said committee reported favorably on said ordinance on the ____ day of
5 _____, 2023, which was a _____ meeting of said Council; that at said
6 _____ meeting, the proposed ordinance was read by title to the City Council as first
7 introduced and adopted by the following vote:

8 VOTING "AYE": _____

9 VOTING "NAY": _____

10 ABSENT: _____

11 APPROVED:

12
13 By _____
CAROLYN G. GOODMAN, Mayor

14 ATTEST:
15 _____
16 LUANN D. HOLMES, MMC
City Clerk

Seth Floyd

From: Marco Velotta
Sent: Tuesday, January 3, 2023 8:55 AM
To: Seth Floyd; Kathi Thomas-Gibson
Subject: FW: [External] Introduction of Incentives

From: Amanda Moss <SNHBA> <amanda@snhba.com>
Sent: Tuesday, January 3, 2023 08:54
To: Dorian Stonebarger <dstonebarger@lasvegasnevada.gov>; Marco Velotta <mvelotta@LasVegasNevada.GOV>
Cc: Melany <melany@snhba.com>; Nat Hodgson <Nat@snhba.com>
Subject: RE: [External] Introduction of Incentives

CAUTION: This email originated from an **External Source**. Please **use caution** before opening attachments, clicking links, or responding to this email. **Do not sign-in with your City of Las Vegas account credentials.**

Hey Dorian,

Sorry I missed this email... we were out of the town between Christmas and New Year. I don't think I'll be able to make it over to City Hall this morning... any chance you, Marco, or the Clerk could read in a statement of support for us for the record? Or, happy to testify for opening public comment at City Council too. Sorry for the short notice 😊

Good morning, City of Las Vegas Recommending Committee. Amanda Moss, Senior Director of Government Affairs of the Southern Nevada Home Builders Association for the record. I apologize for not being there in person to share our support for agenda item #4 before you this morning. While construction costs continue to rise and we are contemplating land use and planning policies that will impact how Las Vegas looks in 25, 30 or 50 years, it is vital to continuing to move our community forward by ensuring housing for our most vulnerable is available.

The City of Las Vegas' adoption of a program that incentives affordable housing projects is a great first step to ensuring our community is taking significant steps towards constructing the over 80,000 needed affordable housing units in our State. Given rising inflation, folks have been hit harder than ever and the City's leadership in passing this ordinance could not come at a better time.

Nationally, we have a supply and demand problem when it comes to housing. We look forward to continuing to work with the City to ensure that an adequate supply of housing across the housing spectrum is made available. Not only for the 100,000 residents we anticipate moving to Southern Nevada every year for the next 3 decades, but while also ensuring working Nevada families are not priced out of the market as a whole, exasperating our affordable housing crisis.

Please let me know if you have any questions/concerns.

Respectfully,



Submitted at Recommending Committee
Date: 1/3/2023 Item: 4
From Amanda Moss by Staff

Submitted after Final Agenda (City Council)
Date: 1/3/2023 Item: 24
From Amanda Moss by Staff

Amanda Moss
Senior Director of Government Affairs
Southern Nevada Home Builders Association
[702-540-1881](tel:702-540-1881)
amanda@snhba.com
www.snhba.com

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From: Dorian Stonebarger <dstonebarger@lasvegasnevada.gov>
Sent: Wednesday, December 28, 2022 3:29 PM
To: Amanda Moss <SNHBA> <amanda@snhba.com>
Subject: Re: [External] Introduction of Incentives

Figured I'd keep the same thread for this incentive bill. It will be heard at Recommending on January 3rd (on Tuesday due to Monday holiday observance). Marco will present.

Dorian Stonebarger
Chief Policy Advisor | Ward 1
City Councilman Brian Knudsen

Please excuse or enjoy any typos
Sent from my iPhone