MARYLAND PARKWAY CORRIDOR

TRANSIT-ORIENTED DEVELOPMENT

Workforce Housing Plan

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MIG

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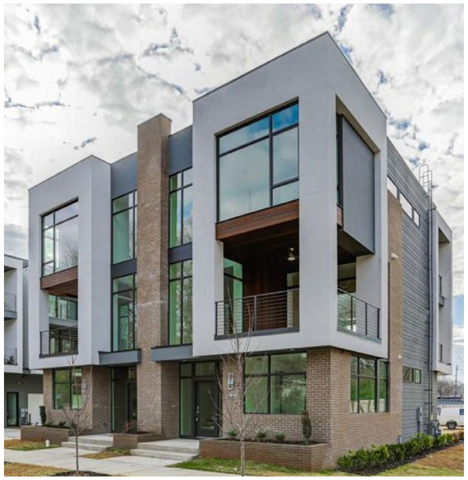


1 INTRODUCTION

The Workforce Housing Plan is an easily-accessible resource for County staff, organizations, partners, and developers to assist in educating about the importance of workforce housing, encourage its development along the Maryland Parkway Corridor, and provide the tools to implement workforce housing and equitable transit-oriented development (eTOD) practices.

This document contains an overview of workforce and affordable housing and how it can support and be supported by high-capacity transit investments. It also includes an investigation of current conditions such as ridership, housing, and affordability that can encourage and sustain successful workforce housing as well as indicate a strong need for this type of development. This Plan provides an analysis of these conditions and outlines the components that will support workforce housing along the Maryland Parkway Corridor to create a guide for successful implementation of inclusive housing policies and programs.

This introductory chapter provides more detailed information about what workforce housing entails, including a brief history of how and why it is relevant, as well as how workforce and affordable housing relates to the Maryland Parkway Corridor, particularly in light of the corridor's TOD potential, planned investment, and proximity to major employment centers.

Workforce housing can be realized in a variety of housing types including (from top to bottom), townhomes, apartments, and plex housing.

WHAT IS WORKFORCE HOUSING?

The term "Workforce Housing" is typically defined as housing that is affordable to those making between 60 and 120 percent of the area median income (AMI). This subset of housing types aim to target middle-income workers, such as teachers, health care workers, etc., who may not benefit from affordability programs but will likely still struggle to find housing options. However, for the purposes of this document, this definition has been expanded to include more traditional affordable housing, affordable to people making less than 60% of the AMI, in addition to middle-income housing, in an effort to broaden the mix of incomes and housing types along the Maryland Parkway Corridor. Housing choice, a variety of housing options at a variety of price points, is a cornerstone of healthy and equitable communities.

Workforce housing refers primarily to the cost of housing and its proximity to employment centers. A housing option is considered affordable or attainable if the cost is at or below 30% of the household's income. If a person or family spends more than 30% of their income on housing they are considered "cost burdened" and may have difficulty affording other bills and necessities like transportation, food, and medical care. The other primary goal of workforce housing is to provide housing closer to downtowns and other job centers to reduce commute distances, transportation costs, and associated externalities such as traffic and pollution.

History

The mid-to-late 20th century saw many new policies and programs to meet the demand for affordable housing, although these policies were limited primarily at those with the most need and with the lowest incomes. As the cost of living began to rise significantly above wages in the 1990s, a need for workforce housing became increasingly present.

While housing supply expanded dramatically in the early 2000s, much of the new construction was large, single-family houses, far away from urban centers. This surge, which was largely speculative single-family home development, also drove land costs higher and many were unable to afford housing without bridging the gap with unsustainable solutions such as variable interest rate loans, second loans, and other unconventional financing options. The subsequent subprime mortgage crisis and economic recession led to an even larger gap between the workforce and quality, affordable housing options. Today, both low and middle-income residents in cities across the country face many obstacles to finding housing, to rent or own. This trend continues to grow as rising housing costs outpace wage increases. This Plan offers a palette of housing and implementation options that can be used by Clark County as well as developers to help provide workforce and affordable housing options in close proximity to the planned Maryland Parkway High-Capacity Transit (HCT) corridor.

RELATION TO MARYLAND PARKWAY CORRIDOR TOD PLANNING

Workforce housing development is an important consideration for every major metropolitan area, particularly in light of the forces of change impacting residents nation-wide, including rising costs, climate change, public health impacts, and limited housing supply. In responding to these forces, the Maryland Parkway Corridor represents a major opportunity to help meet a portion of the County's housing needs, especially for those working in one of the many employment centers along the corridor. A number of conditions make this transportation corridor and the potential transit-oriented development (TOD) especially well suited for workforce housing:

- Suitability for higher density development;
- Proximity to existing residents;
- Planned public and private investment; and
- Proximity to jobs.

Workforce housing can be realized in a variety of housing types including low, mid, or high-rise apartments, townhomes, duplexes, triplexes, quadplexes, and mixed-use. Rarely does new single-family home development meet the criteria for workforce or traditionally affordable housing. Because workforce housing is typically more diverse and higher density, it is often supportive of transit, which relies on ridership in close proximity to operate efficiently.

In theory, the increased supply that accompanies higher-density development has a positive impact on affordability, although the laws of macro-economics are often not enough to ensure quality, affordable housing for all members of a community. To that end, the increased public and private investment that occurs along High-Capacity Transit (HCT) corridors can be leveraged to help support policies and programs that create and preserve affordability. These implementation tools will be discussed in more detail in Section 4 of this document.

As previously noted, the Maryland Parkway Corridor is especially well-positioned for the development of successful workforce housing units due to its proximity to jobs. The transit corridor connects existing residents and new development to major employment centers including McCarran International Airport, the Medical District, Downtown Las Vegas, a number of large shopping centers, and the University of Nevada- Las Vegas (UNLV). Connecting housing to these nearby jobs significantly improves the effectiveness of workforce housing and also helps to reduce resident's transportation costs.

Examples of higher density housing can be found along the corridor, such as (from top to bottom), mid-rise apartments, mixed-use, and student housing.


18b

2 EXISTING AND POTENTIAL RIDERSHIP

The Maryland Parkway Corridor currently has one of the highest transit ridership rates in the Las Vegas Valley. While planning for workforce housing, it is important to ensure that people who currently live along the Corridor can remain while attracting new residents at the same time, especially if they're transit riders who will benefit most from the enhanced transit investment. Workforce housing is one piece of the puzzle for retaining and increasing ridership along the Maryland Parkway Corridor.

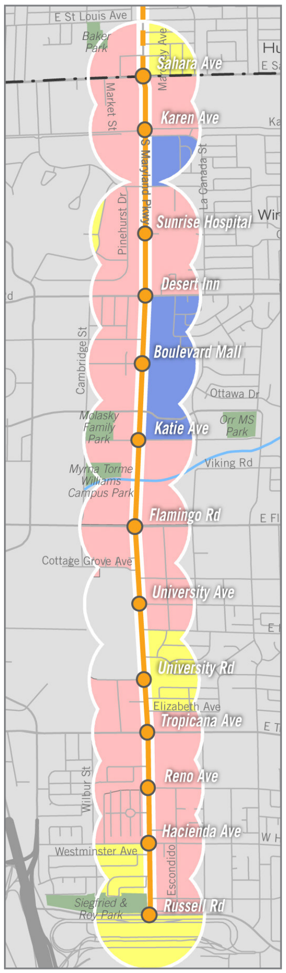
Low-income residents, seniors, residents who don't own a car, and non-family households often have the highest rates of transit ridership and are sometimes transit dependent for trips to school, work and for meeting daily needs for goods and services. For low income residents, housing and transportation are often the two highest household expenses. If good, affordable housing can be located close to high quality transit, lower income residents can solve two of their biggest financial challenges.

One major intent of this TOD Plan effort for the Maryland Parkway Corridor is to encourage new development around HCT stations. With this potential investment comes the potential for gentrification of existing low-income neighborhoods. By planning ahead with a focus on affordable/mixed-income housing and equitable TOD (eTOD) principles, the risk of displacing existing transit riders can be significantly reduced.

RIDERSHIP DEMOGRAPHICS

CHOICE VS. TRANSIT DEPENDENT RIDERSHIP

Transit riders are often categorized into two groups: “choice” riders and “transit dependent”riders. Choice riders are those who are more likely to own a car, and when they use public transit, it is due to their own preference or special occasion. “Transit dependent” ridership describes transit riders who often do not own a car, and often have a lower household income and/or are seniors. While these two groups may be perceived to have different needs, typically the most important factors for anyone using transit is the convenience, efficiency and dependability of the transit service itself. The following maps display common demographics that may indicate where “transit dependent” or other likely riders currently live in the study area.

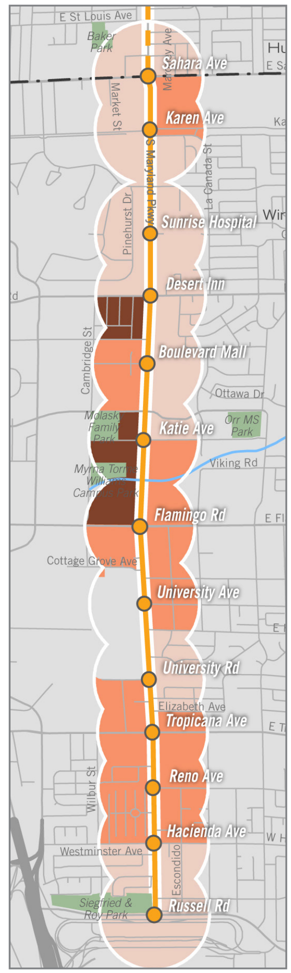


LOW-INCOME HOUSEHOLDS

Low-income residents often have some of the highest rates of transit ridership. These households drove 25% to 30% fewer miles when living within a half mile of transit than those living outside TOD areas.

Median Income

- $10,429 - $40,000
- $40,000 - $65,000
- $65,000 - $90,000
- No Data

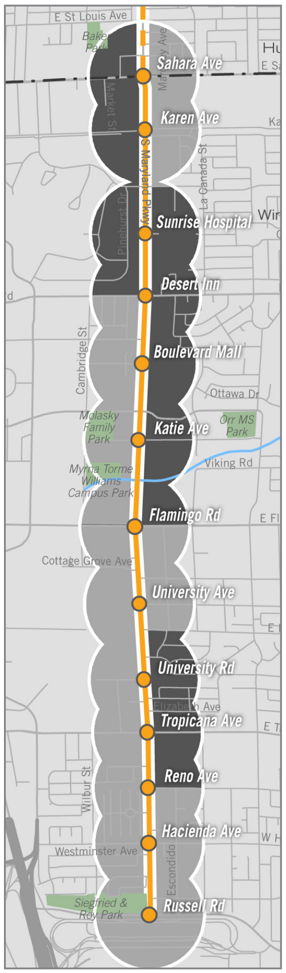


HOUSEHOLDS WITH NO VEHICLE AVAILABLE

Residents who do not own a vehicle have fewer transportation options and are more likely to ride transit than residents who do own a vehicle. Alternative transportation options like walking, biking, and rideshare services can also serve residents without a vehicle.

% of Households with No Vehicle Available

- 0% - 25%
- 26% - 50%
- 51% - 75%
- No Data

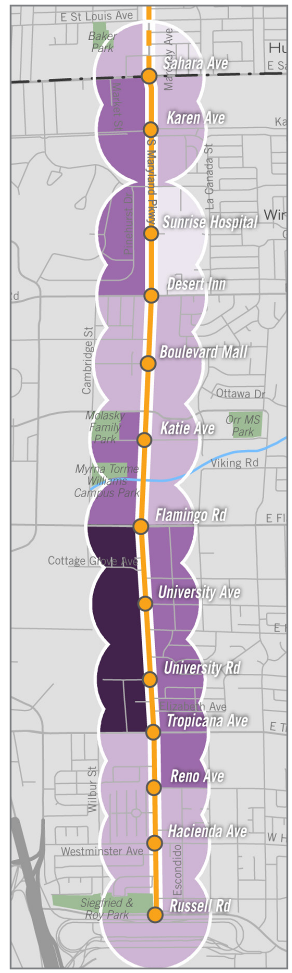


SENIORS

Public transportation can be extremely helpful in allowing seniors to continue to have autonomy and freedom if driving is no longer a safe option. Providing senior housing near transit is increasingly important as the average age in the US is increasing.

% of Population Age 65 or Over

- 3% - 10%
- 11% - 20%



NON-FAMILY HOUSEHOLDS

Households without children and/or non-family households are often attracted to more urban places that have good transit and they tend to drive less than families with children. Examples include empty nesters, singles, young couples, and non-related roommates.

% of Households with Non-Family Relationship

- 0% - 15%
- 16% - 30%
- 31% - 50%
- 50% or More

3 TRANSIT SUPPORTIVE CHARACTERISTICS OF HOUSING

Housing options that achieve a minimum density, provide for a diverse mix of residents and incomes, and have heightened levels of design that uniquely interplays and leverages the public realm, are all characteristics that can significantly support transit investment.

Density near transit ensures that a critical mass of residents - and therefore, potential riders - have excellent access to transportation options. It also contributes to activating areas around transit stations, providing a necessary sense of safety and security.

Diversity of housing type, scale and cost can help to provide both “Choice” and “Transit Dependent” riders, who may utilize transit with different frequencies and consistency, more direct access to transit choice. Diversity of housing also contributes to the unique cultural character around transit stations.

Careful attention to high quality **design** can help create places that better connect riders to transit, encourage transit-users to patronize local businesses and spend time in the public spaces nearby transit stations, whether they are nearby residents or visitors from other areas.

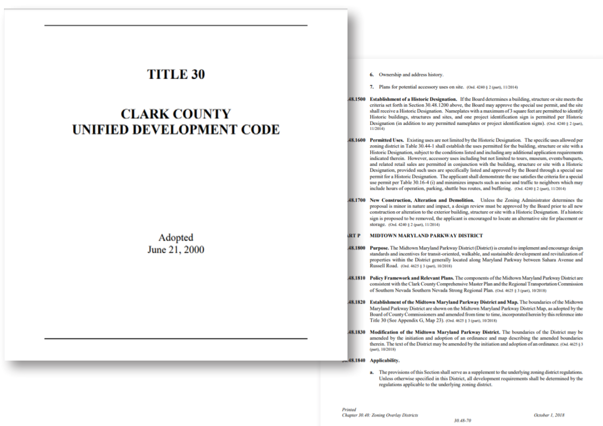
DENSITY

For Transit Oriented Development (TOD) to be most efficient and effective in providing its users access to an economically diverse set of housing options and a corresponding mix of uses and amenities, a minimum density should be targeted. Moderate density of 60-120 people per acre, or between 15-45 dwelling units per acre, is considered transit supportive - ranges can vary widely based on development type and urban form. Increased density near transit often equates to increased ridership.

STRATEGIES TO INCREASE DENSITY

Intensity and Zoning

- Establish regulatory and financing tools that support higher commercial and residential intensities
- Create allowance for greater building height and more flexible building massing through the Title 30 Unified Development Code and/or design standards
- Require minimum building intensities and lot coverages
- See the Midtown Maryland Parkway District Zoning Overlay for specific strategies



TITLE 30

CLARK COUNTY
UNIFIED DEVELOPMENT CODE

Adopted
June 21, 2000

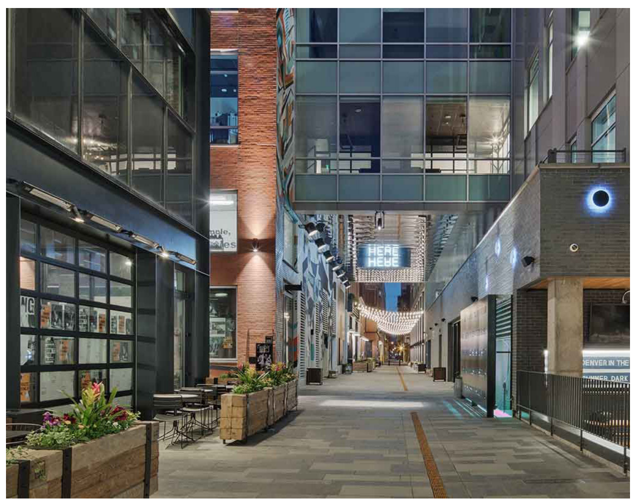
The Title 30 Clark County Unified Development Code, includes the Midtown Maryland Parkway District Zoning Overlay

Parcel Assembly

- Encourage/incentivize parcel assembly in order to promote efficient building footprints and a balance of density and publicly accessible, private open space

TOD Plans

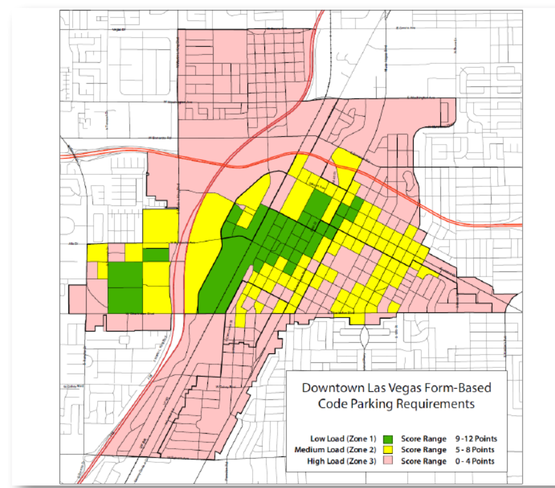
- Create TOD Plans that recommend targeting denser development types within the walkshed of a particular station so that regulatory policy aligns with TOD best practices



Consolidated access points through parcel assemblage can catalyze meaningful public open space in exchange for increased density

Reduced Parking Standards

- Implement aggressive maximum parking standards within TOD Focus Areas through regulatory tools
- Provide parking standard relief to developments that can achieve target densities within a TOD Focus Area
- Encourage shared parking agreements within TOD Focus Areas to minimize lot area dedicated to parking



Downtown Parking Load strategy from the City of Las Vegas Form-Based Code, which could extend to TOD Focus Areas south of the City, into the County

DIVERSITY

Diversity used here refers to places that have safe, walkable access to a wide variety of housing types, retail services, food and beverage outlets, recreation and entertainment outlets, community services, and employment destinations. Research shows that mixing housing diversity with accessible commercial and retail diversity yields twice the reduction in Vehicle Miles Traveled (VMT) than increasing density. Housing diversity promotes an innately walkable and transit-supportive environment that can be amplified with increased density.

STRATEGIES TO INCREASE DIVERSITY

Complementary Land Use Mix

- Mix housing with complementary land uses including those that are most active at different times of day/ days of week
- Support commercial and retail service diversity that cater to a mix of incomes
- Support community-serving uses, such as childcare and health services to give residents proximate access to daily necessities
- Mix housing types, including market rate and subsidized, rental and ownership, and age-restricted with non-age-restricted
- Leverage the land use mix to catalyze a corresponding mix of public gathering places and open spaces that provide opportunities for celebrating art and cultural diversity
- Balance jobs and housing mix to encourage residents to live and work within a TOD Focus Area walkshed

Existing and New Affordable Housing

- Implement programs to retain existing affordable housing through rehabilitization incentives that promote compatability with new development, while incentivizing developers to build new affordable housing within a TOD Focus Area

Active Transportation Connections

- Increase active transportation connections between various uses, open spaces, and activity nodes, including, but not limited to, facilities for pedestrians, bicycles and other micro-mobility

A mix of uses that is active at varying times of the day can provide needed goods and services to a more diverse base of residents

Dense, walkable mixed-use environments benefit greatly from well-integrated and diverse public gathering and open spaces

Diversity of active transportion connections and access can diversify the user base of the facilities to include all ages and abilities

DESIGN

By leveraging a transit and infrastructure investment, Transit Oriented Developments (TODs) can often drive heightened levels of design, building, and public space articulation as reinvestment occurs in the area - establishing a true sense of place in TOD Focus Areas. These types of design enhancements can be compelled through regulatory mechanisms, such as zoning and/or design standards and guidelines, or they can be achieved through voluntary means, such as pattern books, best practice strategies, and purely market driven improvements.

STRATEGIES TO IMPROVE DESIGN

Development Pattern

- Encourage clustered or attached housing to create a dense, but walkable environment that has a human-scale and prioritizes pedestrian comfort
- When redeveloping larger parcel assemblages, establish small block patterns that have high degrees of permeability thus helping to enliven the streetscape environment

Setbacks and Public Space Access

- Place buildings at or close to the property line to promote a dynamic interaction between the public realm and the private development
- Allow zero or minimal building setbacks from the sidewalk to create intimate, pedestrian-scaled environments
- Require high quality finishes within building setbacks that serve as a coherent extension of the adjacent public space

Facades

- Create regular, functional building entries along the street frontage
- Prioritize active uses through a minimum percentage of active use frontage, with high degrees of transparency, along building ground-floors to activate the street level
- Create pedestrian-scaled facades along the ground floors of buildings
- Encourage front porches and patios
- Minimize or prohibit blank walls

Housing types such as clustered townhomes can maintain a pedestrian scale while increasing density

Setbacks and spaces between buildings should be utilized for high quality public spaces

Use visual keys on the facade to create a human scale and add interest to the pedestrian level.

Transportation Facilities

- Provide wide, offset sidewalks that make clear that areas around transit stations are intended to be pedestrian-oriented
- Establish a well-connected and intuitive street network
- Install high ease-of-use bike facilities to allow comfortable access for users of all ages and abilities

Parking and Access

- Prohibit access to off-street parking on key frontages, instead providing access from secondary streets
- Locate parking areas behind or beside buildings and away from the primary street frontage where pedestrian comfort should be prioritized
- Prohibit parking spaces on the property between the primary building frontage and the street
- Screen existing parking with landscaping when along the streetscape
- Move from free parking to cost recovery parking, to encourage higher turnover and availability
- Explore opportunities to consolidate parking into district or shared areas
- Share driveway access and limit the number and width of curb cuts

Physically separate bicycles and pedestrians from vehicular traffic, wherever possible.

Incorporate green infrastructure design principles as part of parking buffers and screening.

Parking structures should be screened or wrapped in active ground floor uses.

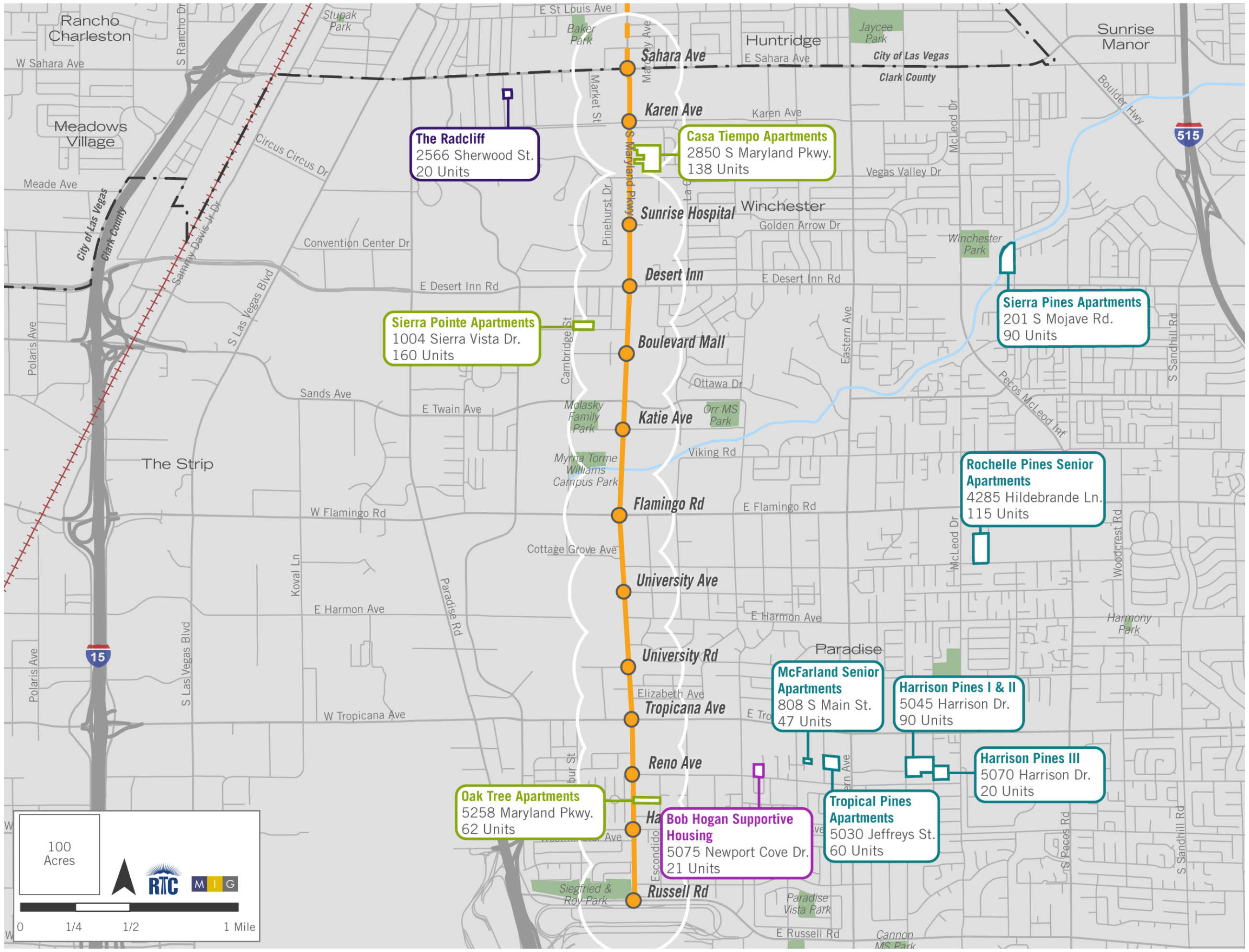
4 HOUSING MIX

The current mix of housing types along the Maryland Parkway Corridor is not especially supportive of high capacity transit (HCT) or housing affordability and choice. Most of the housing along the corridor today is single-family residential, while all of the available affordable units are in two to four story clustered apartment homes. In order to ensure that the transit investment being made along this HCT corridor is being supported by adequate ridership and that Clark County residents have equitable access to housing that meets their needs, a greater mix of housing types at a larger variety of price points is needed along the Maryland Parkway Corridor.

Expanding housing choice as part of TOD development has the two-fold benefit of first ensuring that low- and middle-income residents have housing options that are affordable and proximate to transit that can help connect them to jobs, which helps provide new ridership to support the transit investment. Second, this investment also provides the perfect opportunity to encourage and even incentivize the types of development that are needed along the corridor.

This chapter summarizes the existing affordability and housing types found along the corridor, provides a menu of recommended new development types and how they can be leveraged to improve housing choice along the corridor, and a case for why new development should be mixed-income, with both affordable and market-rate units.

EXISTING HOUSING MIX




Casa Tiempo Apartments


Sierra Pointe Apartments


Oak Tree Apartments

EXISTING AFFORDABLE HOUSING

There are currently three affordable housing locations within the Clark County portion of the Maryland Parkway Corridor study area, with a total of 360 units. All three of these locations are family affordable units. Within one mile of the Corridor there are also 20 affordable units for veterans and 21 accessible affordable units for people with disabilities. Within two miles of the Corridor, there are 422 senior affordable units.

Existing affordable housing types in this area are all two to three story attached, clustered, apartment homes.

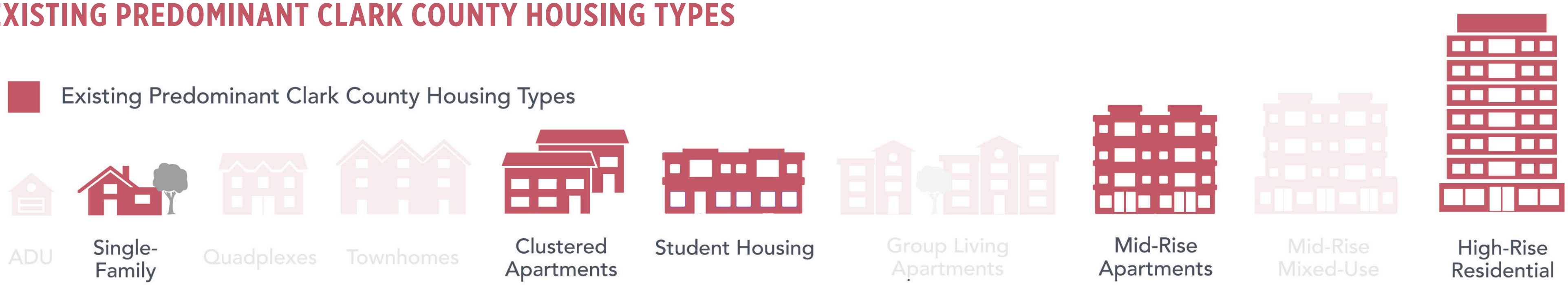
Legend

- Municipal Boundary
- Roads / Highway
- Railroad
- Parks & Open Space
- Wash
- Maryland Pkwy Transit Corridor
- Transit Stations
- 1/4 Mile Focus Area

Affordable Housing Types

- Disabled Affordable Housing
- Family Affordable Housing
- Senior Affordable Housing
- Veteran Affordable Housing

EXISTING PREDOMINANT CLARK COUNTY HOUSING TYPES



- **One-story single-family homes -** single-family ranch style homes are located primarily in the low density neighborhoods on the east side of the corridor
- **One to three story clustered apartments and condominiums-** groupings of older buildings are found all along the corridor, particularly in the southern half
- **Mid-rise podium apartments -** a few, new-construction, mid-rise apartment buildings exist along the western edge of the corridor
- **High-rise Condominiums -** The few condominiums in and around the County portion of the corridor are older high-rises on the western edge between Twain and Flamingo Rd
- **High-rise, luxury apartments that were formerly condos -** several tall, highly amenitized apartment/condo buildings can be found around the Las Vegas Country Club

RECOMMENDED HOUSING TYPES

Listed and described below are a variety of potential workforce housing types that would be appropriate for the Maryland Parkway Corridor. A mix of these housing types should be developed as part of a TOD strategy in Clark County. The table found on page 23 describes which housing types are most appropriate in specific TOD types along the corridor. Each workforce housing type includes a short description, typical lot size, density, building height, general transit supportiveness and affordability (without additional policy intervention), and a list of the most relevant affordablility tools that will ensure these housing types provide much needed affordable and workforce housing stock for the area. A more detailed list of these implementation tools can be found in the following Section. The infographic on the following page shows the existing and recommended housing types described in this section.

Note: In the section, natural affordability is used to measure the typical market rate cost of different housing types, which is influenced by unit size, building density, amenities, and market demand. Additional tools should still be used to make these types more affordable.

RECOMMENDED HOUSING TYPES

Accessory Dwelling Units (ADUs)

An ADU, in-law unit, or accessory apartment is a secondary, separate residential living space on the same lot as a larger, primary house. They allow for more dense single-family neighborhoods and can provide for more diversity as well as aging-in-place.

Most applicable affordability tools:

- Provide process and zoning accommodations
- Provide incentives (density bonuses, reduced parking, etc.)
- Retain permanently affordable units (such as single-room occupancy)

Typical Lot Size:
6,000-8,000 SF

Density:
+4-8 du/acre

Height:
1-2 stories

Transit Supportiveness:

Natural Affordability:

low high

Accessory Dwelling Units (ADUs)

Quadplexes

Quadplexes are multi-family buildings with four units and a shared entry. They can be found in a variety of configurations, even converted from a large single-family home, but are most often found with two units on the ground floor and two above. Four units is also the most that can be conventionally financed through a residential loan.

Most applicable affordability tools:

- Establish inclusionary zoning requirements
- Provide process and zoning accommodations
- Create and maintain property deed restrictions
- Provide right of first refusal for tenants

Typical Lot Size:
12,000-15,000 SF

Density:
10-14 du/acre

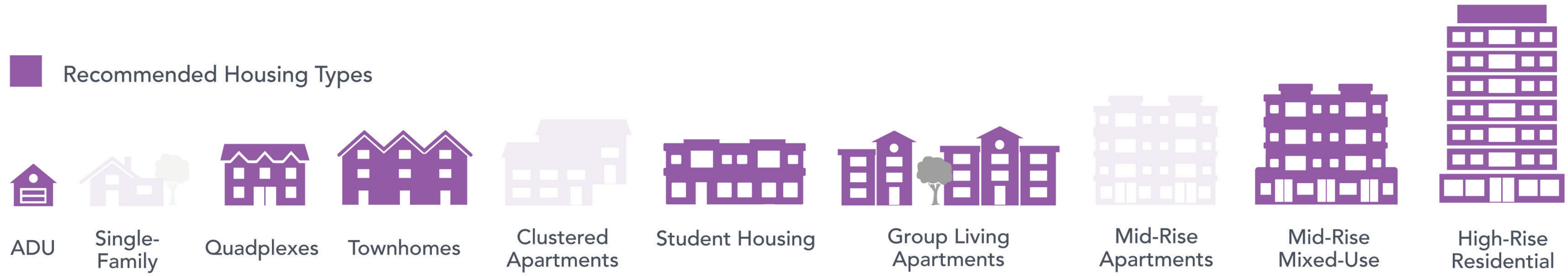
Height:
2-3 stories

Transit Supportiveness:

Natural Affordability:

low high

Quadplexes



Townhomes

Townhomes or townhouses are multifamily structures, wherein each unit has its front entry and first floor on the ground level, with one or more stories above, whose walls border at least one neighboring unit. Townhome occupants can be both renters and owners.

Most applicable affordability tools:

- Establish inclusionary zoning requirements
- Explore joint public/private development
- Create and maintain property deed restrictions
- Provide right of first refusal for tenants

Typical Lot Size:
2,000-4,000 SF

Density:
12-20 du/acre

Height:
2-4 stories

Transit Supportiveness:

Natural Affordability:

low high

Townhomes

Student Housing

Student housing is typically constructed on or near an educational campus (such as UNLV) and provides student-specific housing needs, such as smaller units with increased communal spaces and accommodations.

Most applicable affordability tools:

- Use public subsidies (land dedication, loans, grants)
- Establish partnerships with non-profit developers
- Provide process and zoning accommodations
- Provide incentives (density bonuses, reduced parking, etc.)

Typical Lot Size:
2+ acres

Density:
20-35 du/acre

Height:
2-5 stories

Transit Supportiveness:

Natural Affordability:

low high

Student Housing

Complete Community Group Living Apartments (Nevada HAND style)

Apartment complexes centered around community amenities such as play areas, business centers, green space, and even partnerships with daycares, churches, etc. Units may be smaller to offset larger communal spaces. They can accommodate specific groups such as low-income families or seniors.

Most applicable affordability tools:

- Use public subsidies (land dedication, loans, grants)
- Establish partnerships with non-profit developers
- Provide process and zoning accommodations

Typical Lot Size:
varies

Density:
15-40 du/acre

Height:
2-5 stories

Transit Supportiveness:

Natural Affordability:

low high

Group Living Apartments

Mid-Rise Mixed-Use Residential

This housing type is most often constructed as mid-rise (3-5 stories) "podium" buildings with a concrete ground-floor containing retail and multiple levels of wood-construction residential units above.

Most applicable affordability tools:

- Establish inclusionary zoning requirements
- Provide process and zoning accommodations
- Create and maintain property deed restrictions
- Explore joint public/private development
- Provide incentives (density bonuses, reduced parking, etc.)

Typical Lot Size:
2+ acres

Density:
20-35 du/acre

Height:
3-5 stories

Transit Supportiveness:

Natural Affordability:

low high

Mid-Rise Mixed-Use Residential

High-Rise Residential

High-rise residential is typically defined as multi-family structures over seven stories in height. These high-density buildings can have units to rent or own. Parking should not be accommodated with large surface parking lots.

Most applicable affordability tools:

- Establish inclusionary zoning requirements
- Provide process and zoning accommodations
- Create and maintain property deed restrictions
- Provide right of first refusal for tenants
- Provide incentives (density bonuses, reduced parking, etc.)

Typical Lot Size:
2,000-4,000 SF

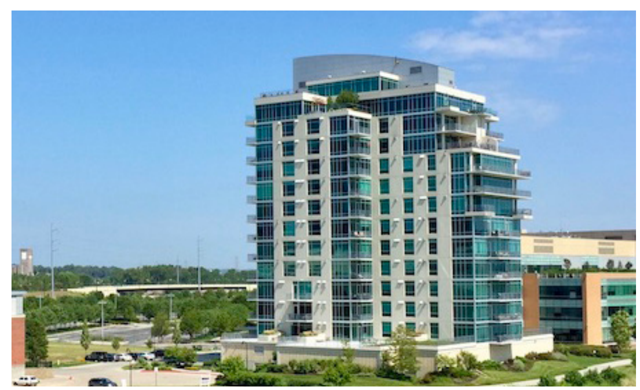
Density:
35-55 du/acre

Height:
7-12 stories

Transit Supportiveness:

Natural Affordability:

low high



High-Rise Residential

HOUSING TYPES BY LOCATION

While all of these proposed workforce housing types should be developed along the Maryland Parkway Corridor, not all of them are appropriate for every TOD location. The TOD typology (as established in the RTC's On Board Mobility Plan) and surrounding context should all be taken into account when locating new development types. The table below shows which of the proposed housing types are appropriate in the TOD typology. These guidelines will help ensure that new development is appropriate for the scale, market conditions, and character of the surrounding neighborhood or area.

TOD Types

Housing Types	Downtown Regional	Downtown Local	Educational Campus	Employment District	Medical District	Town Center	Urban Neighborhood	Las Vegas Strip
Townhomes		X		X	X	X	X	
Quadplexes		X		X	X	X	X	
Group Living Apartments	X	X		X	X	X		
Mid-Rise Mixed-Use Residential	X	X	X	X	X	X		
High-Rise Residential	X			X	X			X
Accessory Dwelling Units		X					X	
Student Housing	X		X		X	X		

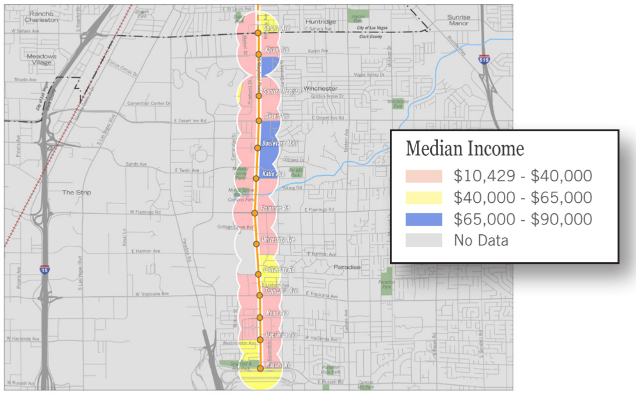


Illustration of Median Income in the study area

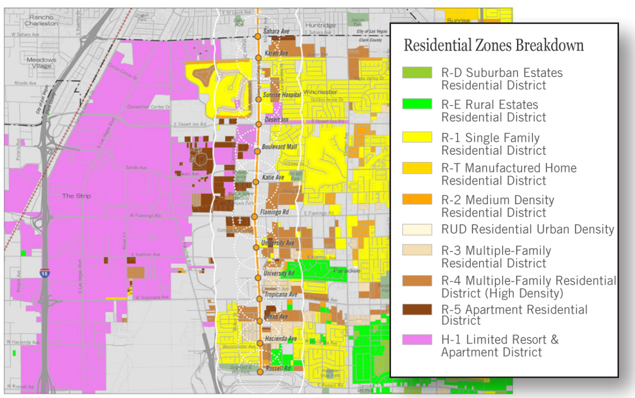


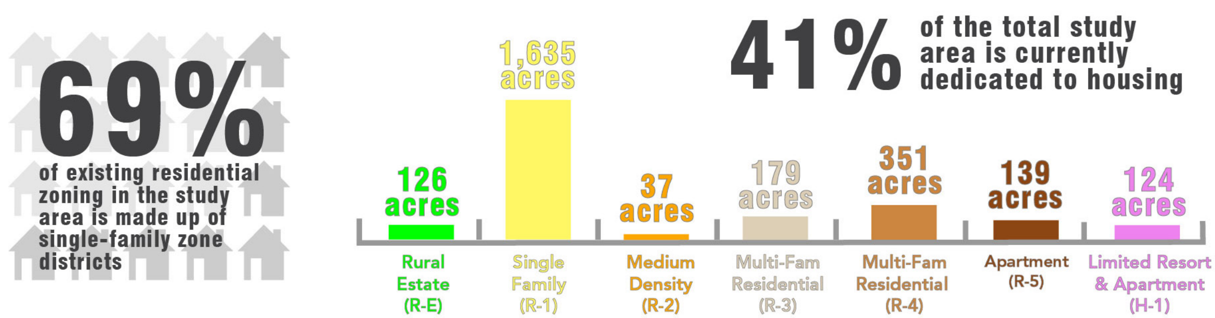
Illustration of Residential Zoning Districts near the Corridor

Single-family zoning districts make up the majority of residential zoning in the study area

EXPANDING HOUSING ATTAINABILITY THROUGH TRANSIT PROXIMITY

Beyond the benefits of expanding the prospective tenant and ownership mix that can be achieved through an emphasis on mixed-income housing, successful TOD also facilitates all residents having proximate, walkable and bikeable access to transit services. About 28.5% of Clark County residents within the study area do not own a vehicle, resulting in a significant number of "transit dependent" riders. In addition to being residents with a high likelihood of utilizing transit, these individuals would also greatly benefit from housing choices that are near transit because it serves as a critical means of transportation for their daily lives.

TOD along the Maryland Parkway Corridor, therefore, has a unique opportunity to provide more expansive housing choice within Clark County. At present, about 69% of the existing residential zoning in this plan's study area is made up of single-family zone districts. With a median income within the study area ranging from ~$10,000 to ~$90,000, the disproportionate emphasis on single-family in terms of housing mix doesn't provide a broad enough spectrum of housing choice and attainability. Forthcoming TOD investment is an opportunity to directly connect transit users - and especially those without personal vehicles - to attainable housing options.



Though more a specific discussion of tools to implement Workforce Housing is included in Section 6 of this document, a few basic strategies for expanding housing attainability are:

- Tax Exemptions, such as the Low-Income Housing Tax Credit (LIHTC)
- Creating a condominium master lease structure to separate legal ownership and financial risk of different forms of finance within one master development
- Payment in Lieu of Taxes (PILOT) to the County consistent with the maintenance of the low-rent character of housing projects

MARKET RATE AND AFFORDABLE UNIT BALANCE PROMOTES ATTAINABILITY

Regardless of the strategy employed to achieve increased access to workforce housing, a balance of market rate to affordable units is key to promoting housing attainability. Importantly, as new housing comes online within a TOD, there needs to be a uniform quality of the units regardless of the income of the renters or homeowners. In this way, a more consistent pride and personal ownership in the character of the neighborhood can be championed.

Design quality should be indistinguishable between market rate and affordable housing

Market Rate Unit Benefits

Often times, when securing financing for residential developments that have an affordable component, a sufficient number of units must be designated as market rate to create a stable critical mass. Residents within market rate units also tend to have a more significant discretionary spending budget, which can positively influence the viability of commercial and retail uses in the immediate area. Therefore, the inclusion of market rate units into TODs not only helps to balance the project's financing, but it also can make or break the best practice goal of catalyzing a mixed use environment around a station area.

Larger scale, well-coordinated developments can support both market rate and affordable units

Affordable Unit Benefits

One of the greatest benefits of locating affordable housing units within TODs is the opportunity to provide direct access to an economic demographic that comprises the highest proportion of transit riders. In addition to those more quantitative benefits, from a qualitative perspective, the broader the range of affordable housing in a community, the greater the opportunity for a more diverse and dynamic composition of residents within the community. Cultivating a less homogeneous demographic within a station area is critical to creating both an economic and cultural richness in and around the TOD.

5 AFFORDABLE HOUSING TOOLS

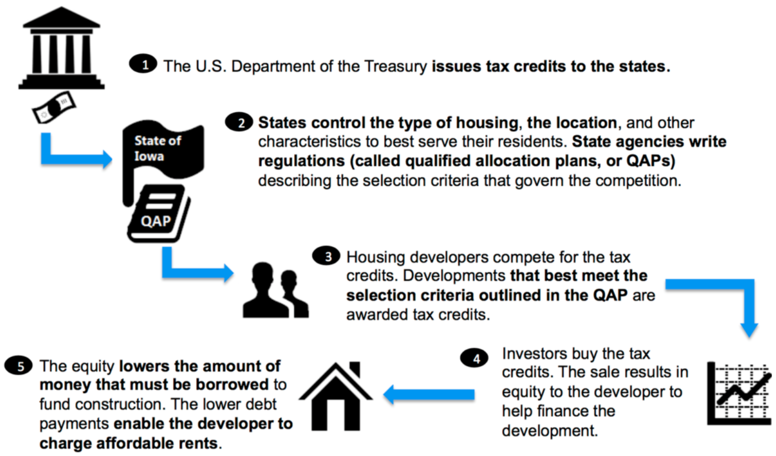
There are several new tools to help fund and incentivize affordable housing in Nevada as a result of the last state legislative session. Federal and local governments also have an important role to play in affordable housing. These tools should be promoted within the Southern Nevada development community to increase affordable housing options and to better serve the needs of the community.

Case studies can provide valuable insight on what peer cities are doing to incentivize the development of affordable and workforce housing, how these developments can be transit-supportive, and funding strategies based on level of investment.

EXISTING AFFORDABLE HOUSING TOOLS AVAILABLE IN SOUTHERN NEVADA

ROLE OF FEDERAL, STATE, AND LOCAL GOVERNMENTS

The federal government, state government and local government all have roles to play in funding and incentivizing the construction, preservation and rehabilitation of affordable housing. However, in Nevada, there have been relatively few tools available to facilitate the construction of affordable housing for low income residents. That all changed when the Nevada Legislature passed several bills specifically designed to give state and local governments more tools to subsidize or incentivize affordable housing and provide a safe home for low income residents. The following discussion outlines the existing tools and the new tools available to practitioners.



Federal Low-Income Housing Tax Credit (LIHTC) Through HUD

The Department of Housing and Urban Development (HUD) issues tax credits of about $8.3 million dollars annually to the State of Nevada. The State Department of Housing then awards the credits to private developers of affordable rental housing projects through a competitive process. Figure 1 describes the overall process for how the federal LIHTC program works. In Nevada, the federal LIHTC has been the primary financial tool used to build affordable housing. But demand for affordable housing here far exceeds the amount of new affordable housing that can be built from the federal allocation of LIHTC.

How the Federal LIHTC Program Works
Image Credit: Andrew Greenlee

State of Nevada Low Income Housing Tax Credits (SLIHTC)

Senate Bill 448 in the 2019 Nevada Legislature authorized $10,000,000, annually, in the form of Nevada SLIHTC that can be transferred to affordable housing projects. The Nevada State Housing Division estimates that SLIHTC will likely generate an additional 600 affordable housing units per year in Nevada. The way this legislation will work is any potential developer can apply to the State Housing Division for an allocation of the tax credits. The State Housing Division will transfer the tax credits to the projects it deems best according to criteria in the State Housing Division's Strategic Plan. Time is of the essence for this new tool as SLIHTC is only authorized for four years.

Boulder Pines Affordable Family Apartments on Boulder Highway near Desert Inn Road. LIHTC, Private Activity Bonds, Neighborhood Stabilization Program funds and HOME Investment Partnerships Program/Affordable Housing Trust Funds were used to construct this development. Image Credit: Las Vegas Review Journal.

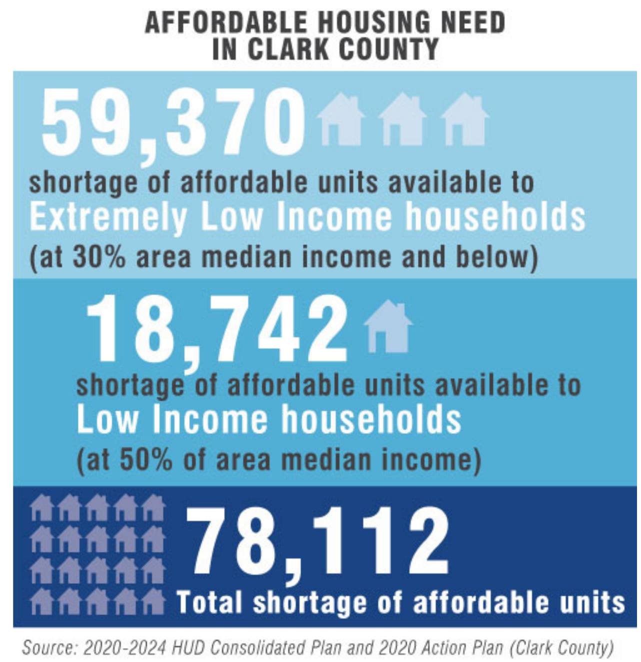
Elective Subsidy of Entitlement Fees for Affordable Housing

Senate Bill 103 in the 2019 Legislature authorized counties and cities to waive, or otherwise subsidize, any applicable impact fees, development fees or building permit fees for affordable housing projects that provide housing for those who make 60% or less of Clark County's median gross income. The way this legislation will work is any jurisdiction that desires to make this subsidy available to affordable housing developers will be required to adopt an ordinance that establishes the criteria that a project for affordable housing must satisfy to receive the subsidy. The jurisdiction will also be required to hold a public hearing and make a determination that the ordinance will not adversely affect the jurisdiction's finances.

The Harmon Pines affordable senior apartments were developed using the SNPLMA. Image Credit: harmonpines.nevadahand.org

Southern Nevada Public Lands Management Act (SNPLMA)

The United States Congress passed SNPLMA in 1998. The SNPLMA authorizes the United States Bureau of Land Management (BLM) to sell public land at up to a 95% discount if the land will be used by a local southern Nevada government for the construction of affordable housing. While there are no BLM owned parcels in the Maryland Parkway Corridor, the SNPLMA legislation does allow the Secretary of the Interior very broad discretion on how to use federal land ownership, sales and leases to facilitate affordable housing construction in southern Nevada, including the ability to swap private lands for public lands.



Affordable Housing Need

State of Nevada Affordable Housing Database

When Senate Bill 104 passed in the 2019 legislature it required the consolidation of affordable housing data from local jurisdictions and owners into a database that is in an acceptable and useful format to the users who need the data. The Housing Division has since created a statewide affordable housing database that incorporates detailed information on the market data of affordable housing, demographics of residents, affordable housing demand and supply, and the location and quality of affordable housing broken down by jurisdiction where possible.

The Woodcreek apartments in Clark County serve residents who make 60% or less AMI. Private activity bonds will be used to renovate all 232 units.
Image Credit: livewoodcreekapartments.com

Private Activity Bond Cap A.K.A. 4% or "Bond" Deals

The Private Activity Bond Cap is an IRS provision in Federal Tax Code (Section 42) and is $53 Million for Clark County. In order to allocate "Bond" Deals, the State determines the County's annual bonding capacity and 4% tax credits on a first come, first served basis (not competitive applications like 9% LIHTC). The primary uses of this tool are to finance new construction and acquisition/rehabilitation low-income/affordable housing projects. "Bond" Deals are typically used to construct larger projects (180+ units) that provide housing for those who make 60% or less of Clark County's median income. The benefit of this bond financing tool is the lower cost of capital versus conventional financing methods, and some projects may qualify for up to a 4% tax credit. However, this tool has a higher risk for the developer compared to LIHTC financing, which offers more equity in the form of up to a 9% tax credit. Developers can receive a 30% boost in tax credit allocation if a development is in a Qualified Census Tract (QCT) or Difficult Development Area (DDA).

An affordable housing project for seniors at near Pebble Road and Eastern Avenue (operated by local nonprofit Coordinated Living of Southern Nevada and Ovation Development Corporation) requested $2 Million in NHTF funding. This land is currently owned by the BLM and would be acquired by Clark County using the SNPLMA.
Image Credit: lasvegassun.com

National Housing Trust Fund (NHTF)

The National Housing Trust Fund had an amount of $3 Million for the State of Nevada in the 2018/2019 program year. The NHTF is a Federal (HUD) fund and is administered by the Nevada Housing Division and funded by an assessment on all Fannie Mae and Freddie Mac loans. The NHTF is primarily used for GAP financing on new construction or acquisition/rehabilitation/conversion projects that provide affordable or low-income housing to those with a lower AMI. In order to receive NHTF funding, a competitive grant (equity to project) application must be completed. Projects that add to the Affordable Housing inventory will be prioritized. An emphasis is also placed on projects with the highest percentage of extremely low income (ELI) units and special needs/supportive services.

Growing Affordable Housing Program (GAHP)

In the second round of GAHP funding (fiscal year 2018), up to $6 Million was available, sourced through the Nevada Housing Division. The GAHP is primarily used for GAP financing and to help overcome the cost associated with 4% bond deals for new construction of low-income/affordable housing. Financing is capped at $3 Million per project or $30,000 per unit. It is to be used in conjunction with the non-competitive 4% LIHTC's (not the 9% LIHTC). Construction must begin within 18 months of award and units placed in service within 2 years (150 units or less) or 3 years (projects more than 150 units). The GAHP is a financing mechanism with fully amortized soft debt; repayable from excess cash flows. There is a 3% interest rate, amortized over 30 years. A developer must be able to close on financing by year end, and the GAHP is subject to the LIHTC/QAP requirements.

Fort Apache Senior Apartments (currently under construction) will provide affordable housing to seniors and utilized LIHTC to fund the project. Image Credit: ovationdev.com

HOME Investment Partnerships Program

The HOME Investment Partnerships Program is a federally funded, large-scale grant program for affordable housing. Funds are allocated by formula to participating state and local governments, and those in the private sector (both for profit and not-for-profit) who build, own, manage, finance, and support low-income housing initiatives.

Blue Diamond Senior Apartments is applying to help meet the necessary underwriting criteria of the 4% LIHTC program. Image Credit: ovationdev.com

CASE STUDIES OF TRANSIT-SUPPORTIVE HOUSING TOOLS

A variety of case studies from peer cities that aim to provide affordable and workforce housing, with and without a High-Capacity Transit focus, are described below to help provide more context for potential implementation strategies being considered for the Maryland Parkway TOD corridor. These programs, including housing funds, Tax Increment Financing (TIF) districts, and land trusts, have been successful in implementing equitable housing solutions in other major US cities around the country. Even without additional emphasis placed on a transit-oriented component, all of the programs described have led to the development of projects that would be considered transit-supportive based on their design, density, and diverse housing types. These examples help illustrate that there are practicable solutions in helping close the housing gap for low- and middle-income families and aim to demonstrate the efficacy of implementation tools described in this document.

Each case study includes a description of the initiative's approach, including level of investment and basic organization and operation, a link to more information, and an image of a development that was made possible by the program.

Tasman Apartments, San Jose

Bay Area Transit-Oriented Affordable Housing

In an effort to curb the Bay Area's deepening housing crisis, with more than 30% of families in the nine-county area qualifying as "cost burdened," the Bay Area Transit-Oriented Affordable Housing (TOAH) Fund re-launched it's efforts to provide affordable housing options to residents along transit corridors, with a 10 million dollar seed investment from the Metropolitan Transportation Commission (MTC) in 2015. The now $40 million initiative, operated by five community development partners, provides funding for affordable housing projects, community and neighborhood services, and fresh food markets along transit lines across the Bay Area. The Fund, which focuses on equitable and sustainable housing solutions, works with local developers and prioritizes mixed-use buildings with affordable and market-rate units that are well connected to employment centers. For more information visit bayareatod.com

The Ramona Apartments, Portland

Portland TIF for Affordable Housing

Since 2006, Portland, Oregon has been working to abate gentrification by using Tax Increment Financing (TIF), a tool that diverts a portion of the added tax revenue that results from increased private investment, and subsequently, property values, in an area to make other public improvements to that area. Portland has specifically earmarked 30% or more of their TIF funds, equaling over $152 million dollars in ten years, to affordable and workforce housing in nine areas of the City. This "Set Aside" money has been used to help finance affordable housing projects (adding thousands of affordable units to the area), preserve existing low-income units, fund home repairs for low-income residents, and provide down payment assistance to help those who may otherwise not be able to access home ownership. For more information visit portlandoregon.gov/phb/article/653603

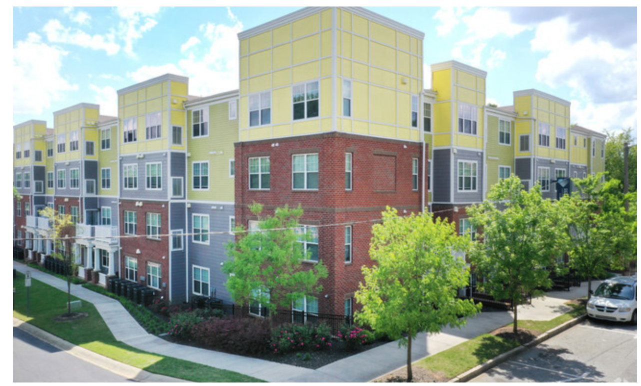
Denver TOD Fund

As Denver's high-capacity transit corridors began to expand and trigger land speculation, skyrocketing prices, and increased development and gentrification, a number of partners came together to create a leading-edge loan fund to preserve and create affordable housing along these corridors. The Fund offers low-cost property acquisition loans to support affordable and workforce housing funds, and has successfully provided 16 such loans since its inception in 2010. Thousands of affordable units and supportive development have been created with the almost $33 million that the Fund has provided. As loans are paid back, new ones are able to be created to continue the development of affordable housing adjacent to transit. For more information visit enterprisecommunity.org/financing-and-development/community-loan-fund/denver-regional-tod-fund

Park Hill Station Apartments, Denver

Atlanta Land Trust Collaborative

Atlanta's non-profit community land trust obtains and manages land to help reduce displacement and add affordable units in targeted areas of the city. It primarily focuses on housing opportunities along the Atlanta BeltLine - a 33 mile corridor of multi-use trails, parks, art, and transit that loops around Downtown Atlanta. The extensive BeltLine improvements have increased the risk of gentrification in many Atlanta neighborhoods. The collaborative seeks to preserve existing affordable units and provide 5,600 additional affordable and workforce units. The primary mechanism the Land Trust operates through is the purchasing and then leasing of land near the BeltLine to residents at affordable rates that are maintained over long periods of time. This also promotes homeownership and ensures homes continue to be affordable upon resale. For more information visit atlantalandtrust.org



Reynoldstown Senior Residences, Atlanta

Beverly Vermont Community Land Trust

With a focus on land stewardship and sustainability, the non-profit Beverly Vermont Community Land Trust aims to create permanently attainable housing options for those interested in "lower impact living patterns." Operating in Los Angeles, the land trust not only obtains and manages lands at long-term affordable rates for low and moderate income residents, even after resale, it also works to create sustainable communities that are walkable, provide recreational spaces, and are integrated with nature. The method of "ground leasing" with home owners promotes higher home ownership rates, greater community investment in the properties, and long term affordability regardless of market rates. For more information visit bvclt.org

Los Angeles Eco Village, Los Angeles

6 IMPLEMENTATION

The following tools and strategies serve as a workforce and affordable housing toolbox, with the potential to implement as conditions necessitate along the Maryland Parkway Corridor. Ten strategies have been identified; each is summarized, the relative ease of implementation and potential impact of each tool is outlined (each on a scale of 1 to 5), and the TOD Readiness Spectrum station categories (Strategize, Catalyze, Amenitize, Energize) that the tool best applies to are identified in the following pages of this section.

- General
  - » Develop a Maryland Parkway Workforce Housing Group
  - » Use under-utilized public land near transit stops for affordable housing development
  - » Create a TOD Housing and Land Trust Fund
  - » Acquire land or buildings near transit for housing
  - » Moderate condo (or tenure) conversions
  - » Acquire and/or rehabilitate at-risk affordable housing units
  - » Identify opportunities to utilize affordable housing easements or property deed restrictions to preserve affordable housing units
- Provide Incentives for Affordable Housing Development
  - » Regulatory Incentives
  - » Financial Incentives
- Explore the use of inclusionary zoning to create affordable housing units near transit
- Develop a program(s) to link impacts of tourism and gaming development to the creation of affordable housing.

STRATEGIES AND TOOLS: GENERAL

Develop a Maryland Parkway Workforce Housing Group

Clark County should work with the Southern Nevada Housing Authority, other housing partners, and stakeholders to build a network of affordable and workforce housing developers. Developers that are active in building affordable and mixed income housing projects in Nevada and/or in the western US should be contacted to increase awareness of needs and opportunities in the local community, including available incentives and tools. The network can be used to solicit feedback on potential programs, solicit interest in public-private partnerships, and to increase awareness of potential land purchase and development opportunities. As an initial action, the County can convene a regional forum of developers, local government staff and elected officials, and housing service providers to inform short term action plans and desired legislative changes.

Ease of Implementation:

difficult easy

Potential Impact:

low high

TOD Spectrum:

STRATEGIZE CATALYZE AMENITIZE ENERGIZE

Use Under-Utilized Public Land Near Transit Stops for Affordable Housing Development

Where there is under-utilized public land available near transit stops, there is a significant opportunity to aid in the success of new affordable housing development. To best capitalize on this strategy, Clark County should create an inventory of surplus or under-utilized County-owned properties near transit stations/stops. These parcels should be evaluated to determine if they are well-suited for housing development, or could be sold to generate funding for affordable housing. This inventory should be maintained and updated to create a readily accessible resource.

Ease of Implementation:

difficult easy

Potential Impact:

low high

TOD Spectrum:

STRATEGIZE CATALYZE AMENITIZE ENERGIZE

Create a TOD Housing and Land Trust Fund

Development of affordable and workforce housing is expensive, particularly housing that is permanently affordable, located in areas that are best suited for supporting transit, and housing that is developed to best benefit residents. To make many affordable housing efforts work substantial funding is needed. In many cases, partnerships with mission-driven organizations are critical to achieving sustainable costs. A housing trust fund is a proven organizational strategy in furthering affordable housing goals. A Fund should be created through a partnership between the City, County, and non-profit, philanthropic, and State partners. The trust can be used for variety of purposes, including: buying and holding land for affordable housing, addressing development feasibility gaps, achieving a greater level of access to grant/financing programs using the partnership approach, and having greater autonomy to operate and generate profits/ revenues than a governmental/quasi-governmental entity.

Ease of Implementation:

difficult easy

Potential Impact:

low high

TOD Spectrum:

STRATEGIZE CATALYZE AMENITIZE ENERGIZE

Acquire and/or Rehabilitate At-Risk Affordable Housing Units Near Transit Stations

Affordable housing, whether programmatic or naturally occurring, may exist near transit but is placed at risk when market conditions change with new development. Maintaining this existing affordable housing (whether income restricted or naturally occurring) can be as impactful as creating new housing units in transit station areas as market conditions improve with new public investments. Two methods of protecting these units are rehabilitation and acquisition. Clark County should explore targeting the use of programs funded through HOME and CDBG dollars aimed at home ownership, home repair, affordable rental projects, and others to mitigate the loss of naturally affordable units or affordable units reaching the end of their affordability requirements. Layer a requirement to participate in retention programs, such as first right of refusal for sale of rentals, section 8 vouchers, deed restricts/liens to prevent quick sales, and first right of refusal when affordability covenants end.

Ease of Implementation:

difficult easy

Potential Impact:

low high

TOD Spectrum:

STRATEGIZE CATALYZE AMENITIZE ENERGIZE

Moderate condo (or tenure conversions)

In strong housing markets, property owners often look to convert existing rental units into for-sale condo units. This frequently occurs with older rental projects and can result in a naturally occurring affordable rental unit becoming an expensive for-sale unit. To mitigate the impact of this change, a goal should be to protect existing rental units in transit station areas with strong market conditions from being converted to for-sale or other uses. This can be achieved through a variety of approaches including banning condo conversions, requiring a percent of units be made permanently affordable if converted, payment of a fee in lieu if a unit is converted, or a requirement allowing the County (and partners) the first opportunity to buy the project at market value before conversion is approved.

Ease of Implementation: difficult — easy

Potential Impact: low — high

TOD Spectrum: STRATEGIZE CATALYZE AMENITIZE ENERGIZE

Acquire Land or Buildings Near Transit for Housing

The County should explore the potential to acquire land or buildings to create housing near transit stations. Where available, a Redevelopment Agency is a logical entity to purchase land or buildings for this purpose. A partnership with a non-profit entity or housing trust can also be successful. It should be noted that public purchases or sale of land can impact the market prices in the surrounding area, due to the ability of a public entity to carry additional costs or risks of purchases. Because of this, caution is needed to not over- or under-value due to public purchases.

Ease of Implementation: difficult — easy

Potential Impact: low — high

TOD Spectrum: STRATEGIZE CATALYZE AMENITIZE ENERGIZE

Identify Opportunities to Utilize Affordable Housing Easements or Property Deed Restrictions to Preserve Affordable Units

In addition to ensuring the affordability of new development, preserving existing affordable housing is important, as well. To achieve this, easements or agreements with property owners can be made to preserve a certain percent of existing housing units as affordable. This approach can be used when discretionary approvals are made or when monetary contributions or incentives are provided to a project. An easement or property deed restriction will specify affordability (income) requirements and time length of affordability. This tool is often used to maintain and preserve existing affordable housing units by offering funding, financing, and/or incentives in exchange for the easement/deed restrictions. The functionality of this tool can be similar to historic preservation easements/tools.

Ease of Implementation: difficult — easy

Potential Impact: low — high

TOD Spectrum: STRATEGIZE CATALYZE AMENITIZE ENERGIZE

STRATEGIES AND TOOLS: INCENTIVES

There are many actions Clark County could take to create incentives for the development of workforce and affordable housing. There are typically two users for incentives. The first user type includes developers of income restricted or special population focused housing projects. These are private, non-profit, and public entities that develop affordable housing projects based on income limits and other criteria for special populations and are typically subsidized using Federal, State, local, and philanthropic funding sources. Most often all or a majority of units are affordable, although some projects may be mixed income. These developers are often trying to layer multiple equity and financing sources to provide subsidized units, and benefit from even relatively small incentives (whether regulatory or financial) to make a project viable. The second user type includes developers of market rate projects that are either trying to build housing units that are attainable for the area workforce or are willing/required to provide affordable units within a market rate project. The incentives that are appealing to this group may vary especially for those developers to include units within their projects that are not oriented to at or below market rate tenants/purchases. While any incentive provides a benefit, significant incentives are likely needed to entice a developer to participate voluntarily. Market conditions that are strong and support development at densities greater than what is allowed by zoning are often needed.

Clark County should formalize a set of incentives, calibrated to market conditions and desired outcomes, that they are willing to provide to encourage and support both TOD and workforce housing projects. The incentives most often offered are either regulatory or financial. The most commonly used and impactful incentives provided in other cities include:

Regulatory Incentives

Height or Density Bonuses – Height and density bonuses fit well within TOD contexts as the goal to encourage higher density development in these areas is already established. Height and density bonuses, by allowing for more revenue-generating space, can help make projects with financial gaps achieve feasibility, and are particularly helpful to developers of affordable housing projects. Bonus programs aimed at enticing market rate developers to include a portion of units (e.g. 10% of units) as income restricted typically need to be located in areas with strong market conditions and where the bonus provides a substantial increase (e.g. 50% increase) over the allowable height or density in the area. Height is often the most valuable bonus in TOD contexts, especially when a form-based zoning approach is taken. However, form-based codes often already provide height allowances that encourage the highest feasible density, which means additional height may not be enticing

Parking Reductions – The cost of providing parking in TOD contexts is a major factor in project feasibility. Parking in TOD contexts most often needs to be provided within a parking structure, which has substantially higher costs than surface parking. Land prices and available sites can also make providing surface parking difficult. To offset this, communities can reduce parking requirements for residential projects as a way to reduce needed costs. This reduction provides flexibility for the developer, but may not be the ultimate determinant of the parking needed. Financing/lending requirements can be a critical factor, often driving parking requirements in areas that cannot demonstrate that tenants can rely on alternative modes. While this makes TOD contexts the most attractive types of areas for parking flexibility, given the lack of existing fixed-guideway or high frequency transit in the Las Vegas region it may take successful local projects with reduced parking to spur lenders to reduce requirements.

Expedited Project Approvals/By Right Development – The length of time needed to obtain project approvals for new development can have a major impact on project feasibility. Delays in entitlements can add major additional financing costs. Some communities have instituted expedited review processes for high priority projects, such as TOD and affordable housing. These projects have an entitlement process that is shorter than typical projects and may have fewer approval steps required. While this approach can be successful, often these attempts to speed up the entitlement process do not see meaningful results. To address this, some communities have utilized by right development triggers for desired projects in order to encourage development. Under this approach, projects that meet desired uses/criteria can proceed without discretionary review and are able to directly apply for building permits. This requires that zoning and land use regulations include specific development requirements for the area/project of interest, including income limits, setbacks, parking, architecture, site layout, and landscaping. The City of Reno uses this approach within their TOD corridors for all projects meeting desired use, density, and form requirements.

For Regulatory Incentives:

Ease of Implementation:

difficult easy

Potential Impact:

low high

TOD Spectrum:

STRATEGIZE CATALYZE AMENITIZE ENERGIZE

Financial Incentives

Fee Reduction/Waivers – Reducing project costs through fee reductions or waivers is a commonly used strategy to incentivize development. Building permit fees, project impact fees, and connection fees (e.g. water and sewer) are typically the most impactful fees that can be reduced or waived to support projects. While this strategy may work to spur development, it is important to note that some communities are required or choose to backfill the loss in fee revenue using other funding sources (e.g. General Fund, housing trust funds); this may be due to state requirements, fund enterprise structures, or because the fees are charged by quasi-municipal service providers (e.g. water district). Clark County could consider the reduction or waiving of development fees for affordable or workforce housing projects in TOD areas. Financial modeling is often needed to understand the amount needed to make a meaningful impact on projects, and also to understand the impact to the entity losing revenue.

Gap Closure Funding or Financing – Some communities provide grants or low cost financing to developers to address feasibility gaps for affordable housing projects. Criteria needs to be established, with projects meeting program criteria eligible to access gap closure funds. The funding can be provided as a grant (with certain claw back requirements), zero or low interest financing, or deferred or modified repayment structures that reduce up-front financing issues/ risks. An existing pool of funding is needed to make this program viable.

Tax Increment Financing – Tax increment financing (TIF) to support affordable housing projects is used in many states, but can have varying applications and rules due to state laws regarding redevelopment agencies and allowable uses of TIF. TIF funds from existing or new redevelopment areas around transit stations can be used to pay for public costs within projects to reduce the total development cost. Clark County could consider using enabling the use of TIF to support affordable housing. Existing TIF proceeds and/or proceeds from the affordable housing projects can be used to address financial gaps for affordable projects, provided as an incentive to include affordable units, or serve as seed or revolving loan funding for affordable housing programs. The use of funds to develop low-income housing is an allowable use of funds within Nevada, which provides greater flexibility of use than some other communities.

For Financial Incentives:

Ease of Implementation:

difficult easy

Potential Impact:

low high

TOD Spectrum:

STRATEGIZE CATALYZE AMENITIZE ENERGIZE

STRATEGIES AND TOOLS: INCLUSIONARY ZONING

Inclusionary zoning can be a powerful tool to create affordable housing. This tool is often most successful when the gap between market rate and affordable housing prices/rents is large and cannot be overcome by existing affordable housing programs. There are three primary applications of inclusionary zoning to consider: voluntary, discretionary, and mandates. Stakeholders often presume inclusionary zoning means mandated requirements, but there are successful approaches that are voluntary or only applied in certain contexts or situations. Best practice applications for use of inclusionary zoning couple the tool with incentives to offset the impact of the requirements and reduce development costs/barriers. The incentives used should be varied to match with the context of its application (e.g. density of area, market strength, need for affordable units). The goal is to help reduce the cost to developers of the inclusionary zoning ordinance but continue to use the development community to build affordable housing units.

Inclusionary Zoning Approaches

Voluntary – Voluntary inclusionary programs provide an incentive to a developer when they build affordable housing units as part of their projects. The incentives are often regulatory but can be also financial. These programs aim to have a portion (e.g. 10%) of units in a project subject to income or deed restrictions with corresponding AMI targets or household types. A zoning overlay or similar tool is used to designate areas where projects are eligible for incentives if affordable units are provided. A fee-in-lieu approach, where the developer pays a fee instead of providing units, can also be used instead of or in combination with on-site units. This allows for more flexibility and inclusivity for commercial projects.

Ease of Implementation: difficult easy

Potential Impact: low high

TOD Spectrum: STRATEGIZE CATALYZE AMENITIZE ENERGIZE

Discretionary – Development projects throughout the County or within targeted areas (e.g. transit station area) that require a discretionary approval (such as annexation requests, Master Plan designation changes, and re-zoning requests) for entitlement can be made subject to an inclusionary housing requirement. Since the project is requesting a change from its existing use, zoning, or land use designation, the jurisdiction can tie the need for inclusion of area goals/needs or mitigation of impacts to approval for these requests.

difficult easy

low high

most impact

STRATEGIZE CATALYZE AMENITIZE ENERGIZE

Mandate – A mandate program is where a jurisdiction requires new development projects to provide affordable housing units (or pay a fee-in-lieu) to offset the need for affordable housing caused by the project. Mandates are the most aggressive form of inclusionary zoning. They will likely require changes to state law to implement and attract push-back from the development community. Mandate programs can be successful, especially in areas with high demand and high prices. However, the mandates do increase the cost of development, which may cause unintended impacts on overall housing affordability. Mandate programs are often required to be enforced community-wide (rather than area-specific) and therefore can have disproportionate impacts on different portions of a community. To address varying market conditions and housing needs, some communities vary mandate requirements based on use and location. Some programs are structured to produce housing units on-site, within each development project, while others encourage use of fees, in lieu of providing on-site units, in order to raise funds for more flexible applications.

difficult easy

low high

STRATEGIZE CATALYZE AMENITIZE ENERGIZE

STRATEGIES AND TOOLS: LINKAGE/IMPACT FEES

The gaming and hospitality industries are a major component of the economy in southern Nevada, accounting for 30% of employment in Clark County. While these industries provide a large number of jobs, they pay wages that are generally lower than the County average ($30,000 per year for gaming, $43,000 for hospitality), and these workers may struggle to access affordable housing, especially options near work. There are a variety of approaches to address workforce housing needs generated by these industries. Three potential approaches are described below that range across the spectrum in terms of ease of implementation and impact.

Partnerships with Businesses and Housing Providers – In other large cities, local government has partnered with local businesses to create affordable housing options for employees. The involvement of private businesses can take many forms, including matching funding from local and non-profit providers to subsidize rent and/or provide down-payment assistance. This type of partnership is more often found in smaller cities that have or are adjacent to major tourism destinations (e.g. ski towns). However, there are examples within larger, urban setting such as Denver (LIVE Denver pilot program) and San Antonio (Spurs Sports & Entertainment Downtown-Area Housing Incentive Program for Employees). The County can create these partnerships with major employers or a pool of employers located along Las Vegas Boulevard to provide housing along the Maryland Parkway Corridor near the intersection of major transit routes with the Maryland Parkway transit line.

Ease of Implementation: difficult easy

Potential Impact: low high

TOD Spectrum: STRATEGIZE CATALYZE AMENITIZE ENERGIZE

Discretionary Impact Mitigation/Linkage Fees – Given the link between these industries and the need for affordable housing, the County could require payment of mitigation fees linked to the impact of new, large scale tourism related projects (gaming, entertainment, or accommodation) that require discretionary approvals (such as annexation requests, Master Plan designation changes, rezoning requests) for entitlement. This fee approach may require a nexus study to establish the relationship and associated cost of the project with the fee being charged. The use of an impact fee may also have legal barriers within Nevada Revised Statutes.

difficult easy

low high

STRATEGIZE CATALYZE AMENITIZE ENERGIZE

Linkage Development Fee – Commercial linkage fees are inclusionary housing programs used by communities with affordable housing challenges due to employees generated by major employers or industries. A linkage fee, similar to an impact fee, charges a fee related to the size or value of a development to help fund the construction of affordable housing units. This fee approach typically requires a nexus study to demonstrate the impacts and costs of providing affordable housing caused by the business/development. (i.e. the number of affordable units required as a result of the development, and the cost of providing those units). While a traditional linkage fee may not not currently be allowed in Nevada, a program may be able to operate like an impact fee for infrastructure (which is allowed in Nevada). This fee structure may be more manageable to use for housing than other public facilities (e.g. fire stations) given time limits on use of funds from impact fees within Nevada Revised Statutes. These programs are most often applied city or county wide but the use of the funds could be tied to creating units near transit.

difficult easy

low high

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