Introduction

- Current Supply of Housing and Residential Land
- Housing Needs
- Future Housing Scenarios
- Implications for Public Policy
CURRENT SUPPLY OF HOUSING AND RESIDENTIAL LAND
# Current Housing Types

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Example Housing Types</th>
<th>Existing Housing Stock in the Region</th>
<th>Examples in the Truckee Meadows</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Density Single Family</td>
<td>Single family detached unit on a lot of 20,000 square feet and larger</td>
<td>9% of Total Housing Stock</td>
<td><img src="image1.jpg" alt="Image" /></td>
</tr>
<tr>
<td>Moderate Density Single Family</td>
<td>Single family detached unit on a lot between 6,000 and 20,000 square feet</td>
<td>45% of Total Housing Stock</td>
<td><img src="image2.jpg" alt="Image" /></td>
</tr>
</tbody>
</table>
| High Density Single Family/Low Density Multi-Family | Single-family detached unit on a 4,500 square foot lot  
Townhouse on a 4,000 square foot lot  
Tri-Plex with 3,000 square feet per unit | 18% of Total Housing Stock                      | ![Image](image3.jpg) |
| Moderate Density Multi-Family         | Two or three story garden or walk-up apartment building with about 15 to 30 dwelling units per acre | 19% of Total Housing Stock                      | ![Image](image4.jpg) |
| High Density Multi-Family             | Multi-story apartment or condominium building with more than 30 dwelling units per acre | 9% of Total Housing Stock                      | ![Image](image5.jpg) |
90% of available housing in the U.S. is located in a conventional neighborhood of single-family homes, adding up to a 35 million unit housing shortage. Source: Dr. Arthur C. Nelson, “Missing Middle: Demand and Benefits,” Utah Land Use Institute conference, October 21, 2014.
Methodology

- Identify residential land using zoning
  - Is it already developed? (Housing Stock)
- Identify vacant residential parcels
  - Unconstrained areas are buildable (remove slopes, public land, water bodies, flood)
- Estimate capacity of that land
  - Future units based on zoning / approvals
- 41,800 acres of suitable land in TMSA
- 95% currently vacant
- 83,000 new houses could be built on this vacant land with existing zoning
- 2/3 would be low or moderate density single-family houses
- Access to infrastructure is a concern
Approximately 83,000 potential dwelling units in TMSA (per existing zoning)
HOUSING NEEDS
Housing Affordability

One-third of households in the region are cost-burdened

One-third of households have income below $35,000 and cannot afford the median rent ($875)
<table>
<thead>
<tr>
<th>Annual Income</th>
<th>Monthly Income</th>
<th>Affordable Monthly Housing Cost</th>
<th>% of Existing Households with This Income</th>
<th>Typical Housing Type and Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $20,000</td>
<td>Less than $1,670</td>
<td>Up to $500</td>
<td>18%</td>
<td>Apartment (Renter)</td>
</tr>
<tr>
<td>$20,000–$40,000</td>
<td>$1,670–$3,330</td>
<td>$500–$1,000</td>
<td>20%</td>
<td>Apartment Small House (Renter)</td>
</tr>
<tr>
<td>$40,000–$60,000</td>
<td>$3,330–$5,000</td>
<td>$1,000–$1,500</td>
<td>17%</td>
<td>Small House Townhouse (Renter/Owner)</td>
</tr>
<tr>
<td>$60,000–$80,000</td>
<td>$5,000–$6,670</td>
<td>$1,500–$2,000</td>
<td>13%</td>
<td>Single-Family House Condominium (Renter/Owner)</td>
</tr>
<tr>
<td>$80,000 or more</td>
<td>$6,670 or more</td>
<td>More than $2,000</td>
<td>32%</td>
<td>Single-Family House Condominium (Renter/Owner)</td>
</tr>
</tbody>
</table>
Missing middle housing
- Housing needs change over a person’s lifetime.
- Homeownership rates increase as income and age increases.
- Choice of single-family detached housing increases as income increases.
- Renters are much more likely to choose multifamily housing than single-family housing.
- Income is a strong determinant of tenure and housing-type choice for all ages.
How Would You Prefer to Live?

- In a house with a small yard within walking distance to shops and work. 53%
- In a house with a small yard with a shorter commute to work. 57%
- In a neighborhood with a mix of houses and businesses that are easy to walk to. 60%
- In a house with a large yard driving distance to shops and work. 42%
- In a house with a large yard with a longer commute to work. 36%
- In a neighborhood that has only houses and a car is required to access to stores & businesses. 35%

Demographic Changes

Likely Trends among Baby Boomer Households
- Household Sizes: More one-person households
- Homeownership Rates: Slowly decrease after 75 years old
- Income: Income decreases, but some have accumulated wealth

Likely Trends among Millennials Households
- Household Sizes: Increase as they form families
- Homeownership Rates: Increases with income
- Income: Increases with age
FUTURE HOUSING SCENARIOS
**Population Growth**

**Historical (1990–2014)**
- 181,000 new people
- 7,500 new people per year

2.3%

**Forecast (2015–2035)**
- 128,000 new people
- 6,400 new people per year

1.5%

Convert estimated population to necessary housing units:
- Divide by US Census Person Per Household multipliers (roughly 2.5 people per unit)
- Account for vacancy rate of around 11% (US Census)

Equates to roughly 50,600 new housing units needed by 2035
Develop Scenarios

- **Classic Scenario (1)**
  - Based on spatial pattern of recent home building, since 2000
  - More development on the fringe of the community
  - Allowed for very limited redevelopment
  - Housing Type mix based on historic development percentages

- **McCarran Scenario (2)**
  - Change in spatial pattern with more emphasis on core of our region
  - 25% of new homes modeled within the McCarran Ring
  - Increased redevelopment on currently built parcels
  - Housing Type mix varied to increase higher density types
Housing Type Mix

Forecasted growth of 50,600 new dwelling units in TMSA 2015-2035

Classic Scenario (1)
- Low Density Single Family: 5,554 (11%)
- Moderate Density Single Family: 10,144 (20%)
- High Density Single Family/Low Density Multi-Family: 6,483 (13%)
- Moderate Density Multi-Family: 2,603 (5%)

McCarran Scenario (2)
- Low Density Single Family: 3,468 (7%)
- Moderate Density Single Family: 21,239 (42%)
- High Density Single Family/Low Density Multi-Family: 11,486 (23%)
- Moderate Density Multi-Family: 10,492 (20%)
- High Density Multi-Family: 3,937 (8%)
Classic Scenario (1): New Dwelling Units by 2035
McCarran Scenario (2): New Dwelling Units by 2035
EVALUATION OF SCENARIOS
Market-Based Development Analysis

Number and type of dwelling units that are financially feasible given current market and zoning constraints on vacant parcels:

- Low Density Single Family: 2,647
- Moderate Density Single Family: 14,203
- High Density Single Family/Low Density Multi-Family: 1,698
- Moderate Density Multi-Family: 3,810
- High Density Multi-Family: n/a
Infrastructure capacity

- Evaluated the current spatial extent of regional infrastructure
  - Water pipes
  - Wastewater pipes
  - Major roads

- A subset of 52,652 potential units (approx. 63%) reside in the adequately served area
Regional Service Costs

- Collaborative effort with service providers
  - Transportation
  - School District
  - Water Service
  - Wastewater Service
- Focus on pattern of growth, not timing
- Ten percent (10%) reduction in capital costs in the McCarran Scenario (2)
IMPLICATIONS FOR PUBLIC POLICY
Conclusions

- The Truckee Meadows needs a wider variety of housing types to meet anticipated demographic shifts and affordable housing needs
- Home ownership costs 60% of income 17%
- Likelihood of residents continuing to afford homes similar to existing housing stock is diminishing
- Missing Middle housing represents a segment of housing types that can provide affordable workforce housing
Conclusions

- Local governments and service providers all face pressing fiscal challenges to provide services and infrastructure.
- Location of housing is very important: servicing land in more compact development scenario is less expensive.
- Capital costs for infrastructure in the McCarran Scenario is $780 million less than Classic Scenario.
- Equal to $15,415 less per house.
Housing Market Dynamics

- The private sector builds almost all of the housing units in the region;
- The types and location of housing built by the private sector is primarily in response to current housing market conditions, which include current public policies like zoning, public investment, and fees;
- Thus, the public sector is a partner in the provision of housing; and
- The public sector has larger obligations to ensure public health, safety, and welfare that it must balance as it tries to assist the private sector by reducing the costs of housing production.
Opportunities

- Consider housing and transportation costs together to capture housing cost burden in the region
- Further evaluate the links between housing, employment, essential services and transportation through 2017-18 TMRPA/RTC Shared Work Program
- Add scenario planning tools into the Regional Plan during the 2017 update. This should include the ability to analyze both costs and revenues for different development patterns
RETURN ON INVESTMENT

Source: http://www.urban-three.com/analytics
Opportunities

- Partner with local jurisdictions and affected entities to discuss existing and future capital improvement plans to maximize use of public resources

- Capitalize on public resource investments by supporting development in areas with lower infrastructure and service costs
Opportunities

- Review tensions between market trends and current land use regulations that inhibit infill + redevelopment
- Use financial feasibility modeling to understand current market capacity compared to approved zoning
- Create a small competitive grant fund to assist in developing denser housing, thereby reducing some risk for private market
Opportunities

- Consider reviewing new development for cumulative impacts based on availability and capacity of infrastructure and proximity to services.

- Analyze long-term operations and maintenance required of the public sector to support development patterns, including review of total costs versus total revenues for services.
A Smarter Region transforms data into actionable information.

**Aware:** Applies real-time analytics to monitor regional dynamics

**Responsive:** Efficiently provisions resources and services with advanced tools

**Competitive:** Models scenarios that attract industry and foster investment

**Resilient:** Forecasts change to proactively prepare and adapt
Thank You to our Partners

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