Truckee Meadows Housing Study
**Introduction**

- Current Supply of Housing and Residential Land
- Housing Needs
- Future Housing Scenarios
- Implications for Public Policy
LETTER FROM THE TRUCKEE MEADOWS PLANNING AGENCY BOARD

The Truckee Meadows Housing Study represents the collaborative effort of many partners in understanding current housing conditions and future housing needs in our community. This study provides a clear picture of the current housing stock, and where housing is planned for the future. The data also shows that where development is located can greatly impact the cost to provide regional services and infrastructure.

This analysis demonstrates that we lack certain housing types, known as “Missing Middle” housing. The region needs these housing types, both now and in the future. It is clear that we need to work collaboratively as a region with the development community to understand these needs and ensure that they are met. The region’s future vitality and economic competitiveness hinges on our ability to provide diverse, appealing housing options, so that the region remains attractive to workers and employers, as well as existing residents.

Local governments and service providers face pressing fiscal challenges to provide services and infrastructure. Growth can further strain these abilities, so adopting more cost-efficient development patterns is an important step to ensuring a financially stable region. We need to look at all the potential avenues to preserve and protect taxpayer dollars and provide services.

The idea of targeting development to specific areas to maximize the public dollars invested in infrastructure and services is not new, as this practice exists around the country. It is vital that all local government agencies understand both the revenues and costs associated with each type of development, so that location and development type choices maximize tax revenue possibilities and minimize service expenditures.

The ideas in this report help us get started, including a competitive grant fund to encourage different types of housing development, and using existing spatial technology to identify possible infill/redevelopment opportunities and infrastructure investment options. But the biggest idea contained in this report is to challenge the way we think about how we grow, and what it costs.

This study is a call to action, to take the information presented in this report and host a community conversation. It is important to recognize that this is the beginning of the discussion, and that we do not have all of the answers at this point. Rather, this study helps us to have the dialogue as part of the 2017 Regional Plan Update, to assist in developing housing policies for the region.

While TMRPA has done an excellent job of assessing current needs, and creating and synthesizing new information, they cannot come up or implement solutions alone. We need to use the tools and information created through this process to engage the community and stakeholders, and assess what is possible in the short and long-term futures.

Join us as we have this conversation: sign up at www.tmrpa.org to engage or stay informed through our social media accounts on Twitter, Facebook, Instagram, YouTube and LinkedIn.

Charlene Bybee, Chair
Regional Planning Governing Board

David Bobzien, Vice-Chair
Regional Planning Governing Board

James Barnes, Chair
Regional Planning Commission

Art Sperber, Vice-Chair
Regional Planning Commission

TRUCKEE MEADOWS HOUSING STUDY
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 15,000 housing units</td>
<td><img src="image1.png" alt="Image1" /> <img src="image2.png" alt="Image2" /></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 80,000 housing units</td>
<td><img src="image3.png" alt="Image3" /> <img src="image4.png" alt="Image4" /></td>
</tr>
<tr>
<td>High Density Single Family/Low Density Multi-Family</td>
<td>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</td>
<td>18% of Total Housing Stock 31,000 housing units</td>
<td><img src="image5.png" alt="Image5" /> <img src="image6.png" alt="Image6" /></td>
</tr>
<tr>
<td>Moderate Density Multi-Family</td>
<td>Two or three story garden or walk-up apartment building with about 15 to 30 dwelling units per acre</td>
<td>19% of Total Housing Stock 34,000 housing units</td>
<td><img src="image7.png" alt="Image7" /> <img src="image8.png" alt="Image8" /></td>
</tr>
<tr>
<td>High Density Multi-Family</td>
<td>Multi-story apartment or condominium building with more than 30 dwelling units per acre</td>
<td>9% of Total Housing Stock 15,000 housing units</td>
<td><img src="image9.png" alt="Image9" /> <img src="image10.png" alt="Image10" /></td>
</tr>
</tbody>
</table>
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.
METHODODOLOGY

- 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
Zoned Residential Land

- 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
TMSA Potential Housing Units

Approximately 83,000 potential dwelling units in TMSA (per existing zoning)

Less Dense

More Dense

- Low Density Single Family: 10,750 (13%)
- Moderate Density Single Family: 44,100 (53%)
- High Density Single Family/Low Density Multi-Family: 16,700 (20%)
- Moderate Density Multi-Family: 8,500 (10%)
- High Density Multi-Family: 3,100 (4%)
HOUSING NEEDS
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–$1000</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
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
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: 11,486 (23%)
- High Density Single Family/Low Density Multi-Family: 21,239 (42%)
- Moderate Density Multi-Family: 10,492 (20%)
CLASSIC SCENARIO (1): NEW DWELLING UNITS BY 2035
McCARRAN SCENARIO (2): NEW DWELLING UNITS BY 2035

Scenario 2A 2035
Predicted Units

- 1
- 2 - 5
- 6 - 25
- 26 - 50
- 51 - 100
- > 100

[Map showing predicted units distribution by 2035]
EVALUATION OF SCENARIOS
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
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
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.
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.
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
Thank You to Our Partners

Regional Transportation Commission
Amy Cummings, Director of Planning
Dan Doenges, Planning Administrator
Garth Oksol, Engineering Administrator
Julie Masterpool, Engineering Administrator
Xuan Wang, Senior Technical Planner

City of Sparks
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Western Regional Water Commission
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Scott Estes, Director, Systems Planning and Engineering

Washoe County School District
Joe Gabica, Chief Facilities Management Officer
Mike Boster, School Planner
Pete Etchart, Chief Operating Officer
Randy Baxley, School Planner
Housing affordability is an issue, and will continue to be so due to demographic shifts.

More housing types means more options and choice for affordable workforce housing.

Building in a more compact scenario can save the region money in terms of infrastructure and services.

Learn more at www.tmrpa.org