



# CITY OF FERNLEY

## CITY COUNCIL AGENDA REPORT

Meeting Date: July 21, 2021

<b>REPORT TO:</b>	Mayor & City Council
<b>REPORT THRU:</b>	Daphne Hooper, City Manager
<b>REPORT BY:</b>	<b>Melinda Bauer, Assistant Planner</b>
<b>REVIEWED BY</b>	Tim Thompson, Planning Director
<b>REVIEWED BY:</b>	Brandi Jensen, City Attorney
<b>REVIEWED BY:</b>	Denise Lewis, Finance Director

<b>FINANCIAL IMPACT:</b> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	<b>CURRENTLY BUDGETED:</b> <input type="checkbox"/> YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> N/A	<b>FUND/ACCOUNT:</b>
-------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------	----------------------

<b>ACTION REQUESTED:</b>	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Motion	<input checked="" type="checkbox"/> Ordinance
	<input type="checkbox"/> Presentation	<input type="checkbox"/> Receive/File	<input type="checkbox"/> Resolution

**AGENDA ITEM: Second Reading, Public Hearing, and possible action on Bill #298 (DA20001), Second Reading, Public Hearing and possible action on Bill #299 (ZMA20004), and Public Hearing and possible action on CUP20001 (FOR POSSIBLE ACTION):**

Consideration and possible action on a request from Northern Nevada Community Housing to allow for a 60-unit multiple family residential development (workforce housing with Veteran's preference) on a site approximately 3.22 acres generally located south of Dianne Way, east of Hardie Lane, north of Westerlund Lane, and west of Spruce Drive Fernley, NV. (APNs: 020-093-15, 16, 17, and 18).

1. Consideration and possible action on Bill #298, an Ordinance authorizing the City of Fernley to enter into a Development Agreement (DA20001) with Northern Nevada Community Housing, to establish a density bonus of 5 dwelling units per acre, in accordance with NRS 278.250, to increase the maximum density from 14 dwelling units per acre to 19 dwelling units per acre within the Mixed Residential (MR) land use designation.
2. Consideration and possible action Bill #299, an Ordinance for a Zoning Map Amendment a general Ordinance for a Zoning Map Amendment, associated with ZMA20004, to change the zoning from SF6 (Single Family, 6,000 sq. ft.) zoning district to MDR14 (Medium Density Residential, 14 du/ac) zoning district.
3. A Conditional Use Permit request to allow for a multi-family residential development of less than 100 units in the MDR14 (Medium Density Residential 14 du/ac) zoning district.

**AGENDA ITEM BRIEF:** The applicant is requesting to change the zoning from SF6 (Single Family 6,000 sq. ft.) to MDR14 (Medium Density Residential 14 du/ac) to allow for medium density residential development, a Development Agreement request for a density bonus to allow for a density of 19 dwelling units per acre, and a Conditional Use Permit request to allow for multi-family construction of less than 100 units in the MDR14 (Medium Density Residential 14 du/ac) zoning district. Because the applications being processed concurrently, the City Council will take final action on the Conditional Use Permit. The Planning Commission forwarded a recommendation of approval for each of the three requests.

**RECOMMENDED MOTION:**

1. "I move to adopt Bill #298, an Ordinance authorizing the City of Fernley to enter into a Development Agreement (DA20001) with Northern Nevada Community Housing, to establish a density bonus of 5 dwelling units per acre, in accordance with NRS 278.250, to increase the maximum density from 14 dwelling units per acre to 19 dwelling units per acre within the Mixed Residential (MR) land use designation based on the approval criteria as set forth in the staff report."
  
2. "I move to adopt Bill #299, an ordinance for a Zoning Map Amendment, associated with ZMA20004, based on Findings Z1 through Z3 and the facts supporting those Findings as set forth in the staff report."
  
3. "I move to approve the Conditional Use Permit, associated with CUP20001, based on Findings CU1 through CU6 and the facts supporting those Findings as set forth in the staff report, and subject to the Conditions of Approval 1 through 27 as listed in the staff report."

**Business Impact (per NRS Chapter 237):**

- A Business Impact Statement is Attached.
  
- A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B.

**Background/Analysis/Alternatives Reports:**

**PROJECT SUMMARY**

---

- CASE NUMBER(S):**
  - DA20001
  - ZMA20004
  - CUP20001
  
- REQUESTED ACTION(S):**
  - Development Agreement
  - Zoning Map Amendment
  - Conditional Use Permit
  
- PROJECT DESCRIPTION:**
  - A Development Agreement request for a density bonus to allow for a density of 19 dwelling units per acre.
  - A Zoning Map Amendment request to change the zoning from SF6 (Single Family 6,000 sq. ft.) to MDR14 (Medium Density Residential 14 du/ac) to allow for a medium density residential development.
  - A Conditional Use Permit request to allow for multi-family construction of less than 100 units in the MDR14 (Medium Density Residential 14 du/ac) zoning district.
  
- PROPERTY OWNER(s):**
  - 301 Flint Street, LLC
  
- APPLICANT:**
  - Northern Nevada Community Housing
  
- LOCATION:**
  - Generally located north of Westerlund Lane, south Dianne Way, west of Spruce Drive, and east of Hardie Lane, Fernley, NV
  
- SITE SIZE:**
  - ± 3.22 acres
  
- EXISTING LAND USE:**
  - Mixed Residential (MR)
  
- EXISTING ZONING:**
  - SF6 (Single Family 6000 sq. ft. minimum lot size)
  
- PROPOSED ZONING**
  - MDR14 (Medium Density Residential, 14 dwelling units per acre)
  
- WARD INFORMATION:**
  - Ward 3 – Stan Lau

**\*A PUBLIC HEARING IS REQUIRED**

**POLICY REFERENCE**

<i>Nevada Statutes:</i>	<i>NRS 278A</i>
<i>Fernley Municipal Code:</i>	<i>Title 32</i>
<i>Policies &amp; Procedure Manual:</i>	<i>N/A</i>
<i>Community Assessment:</i>	<i>N/A</i>
<i>City of Fernley Development Code:</i>	<i>Chapter 32.03 &amp; 32.06</i>

## **BACKGROUND**

One of the important community principles that guided the 2018 City of Fernley Comprehensive Master Plan update was to diversify Fernley's housing types and provide more affordable options to serve a broader range of the community. According to the Master Plan less than 50% of Fernley's population live and work in Lyon County. Previous land patterns in Fernley have promoted larger lots, which have led to higher housing costs and inefficient use of infrastructure. The Master Plan identifies the need for more missing middle housing that the proposed development will help address. As well as provide housing to support our veteran community.

The project site has a land use designation of Mixed Residential and a zoning designation of SF6. The current SF6 zoning does not allow for multi-family type buildings and would not support the density necessary to accomplish the veteran workforce housing project. In an effort to keep the zoning in conformance with the master plan, rather than request a master plan amendment, the applicant is requesting a zoning map amendment to change the zoning from SF6 to MDR14. The MDR14 zoning district is encouraged within the Mixed Residential land use category and can be designed to be compatible with the surrounding area. To ensure compatibility a Conditional Use Permit (CUP) is required for multi-family type units. Civil improvement plans, architectural drawings, and a landscape plan are included with the application to demonstrate how the project is designed to be compatible with the surrounding area.

## **ANALYSIS**

The subject parcels have a Master Plan designation of Mixed Residential (MR). Current zoning designation is SF6 (Single Family 6,000 square foot min). The existing zoning is not in conformance with the Master Plan designation of "Mixed Residential." The applicant is proposing to change the zoning for all four parcels to MDR14 (Medium Density Residential – 14 du/ac) which would bring the parcels into conformance with the Master Plan.

The applicant, Northern Nevada Community Housing (NNCH) is a Community Housing Development Organization (CHDO), a non-profit, community-based service organization focused on helping meet housing needs for communities throughout northern Nevada. The mission of this organization is to "develop, own, and manage high-quality affordable housing coupled with supportive services for those most in need in our community." NNCH has built multiple high-quality projects throughout northern Nevada. NNCH is proposing to construct a veteran work force housing project, in partnership with the Veterans Administration, in the City of Fernley.

The proposed project site NNCH has identified is located at the northeast corner of Hardie Lane and Westerlund Lane comprised of four parcels totaling ± 3.22 acres and is surrounded by development including the school to the west, and single family to the north, east and south. The project site, located along Hardie Lane, is less than ½ mile south of Main Street which is an identified redevelopment area that provides services and employment. Within the City of Fernley Master Plan the project area is identified as "Mixed Residential" an area meant to, "encourage a mix of housing options and densities that are typically located within walking distance to services and amenities" (City of Fernley Comprehensive Master Plan pg. 57).

Hardie Lane was recently improved as a City of Fernley Capital Improvement project extending from Main Street south to Cottonwood Lane. This improvement project included curb and gutter along both sides of the roadway, as well as drainage improvements, water system improvements, sewer improvements, and complete roadway reconstruction. A multi-use path is located across the street from the property and in

front of the property is an ADA compliant sidewalk. Bike lanes are also located along Hardie Lane. Other safety improvements within the Right-of-Way included traffic calming measures and coordination with Lyon County School District for on-site safety improvements. The recent infrastructure upgrades would support the proposed infill project for veteran workforce housing.

According to the applicant, there are several factors that make the project site ideal for veteran housing: 1) direct access onto Hardie Lane including newly constructed bike and pedestrian amenities improving access to Main Street including services and employment opportunities, 2) Infill site with access to newly upgraded infrastructure to support the project, 3) the master plan designation of "Mixed Residential" allows for and supports the identified need for diversified and more affordable housing options, and 4) the project can be designed to fit with the surrounding area and easily buffer existing residences. Westerlund creates a buffer to the single family located to the south, and the single family to the north and east have their rear yards that abut the project site and can be easily buffered as is evident in the included site layout. The project site is essentially the last standalone, undeveloped property on Hardie between Westerlund and Main Street.

Workforce housing in the City of Fernley is a need identified in the recent master plan update, specifically, the community principle to, "Provide a Balance of housing types; improve employment opportunities." Workforce housing for veterans will not only help support the City's master plan goals but will also provide a much-needed opportunity for the veterans who want to live and work in the City of Fernley. Special funding will be utilized for the project to help fill the gap in workforce housing, more specifically targeted for our veterans. The funding source and type of housing provide a great opportunity for the community of Fernley and under NRS 278.235 (1)(h), encourages the City to provide density bonuses to help make these types of projects possible. As this is a very specific type of project the applicant is proposing to utilize a zoning designation that fits with the current master plan and utilize a density bonus of 19 dwelling units per acre to provide 60 units allowed under the funding source creating additional units to support our veterans. A Development Agreement is the mechanism for the City to create the density bonus specifically related to this project.

## **FINDINGS:**

### **Development Agreement**

#### **1. Consistent with the City's Master Plan**

One of the important community principles that guided the 2018 City of Fernley Comprehensive Master Plan update was to diversify Fernley's housing types and provide more affordable options to serve a broader range of the community. According to the Master Plan less than 50% of Fernley's population live and work in Lyon County. The Master Plan identifies the need for more affordable, higher density housing, such as multifamily developments, to help address current housing and affordability needs. Density bonuses are one mechanism the City is able to utilize to support the affordable housing goals and policies of the Comprehensive Master Plan. This application provides a project intended to fill this gap and provide for a greater diversity of housing options for the City of Fernley within an area that has recently upgraded infrastructure and proximity to commercial and employment centers, such as developments along Main Street, located ½ mile from the project area.

## **2. Otherwise consistent with Nevada or Federal law**

This development agreement supports the language within NRS 278.235, focused on governing bodies, such as the City of Fernley, adopting proactive measures to maintain and develop affordable housing supportive of master plan goals and policies. NRS 278.235 (1)(h) specifically encourages the City to provide density bonuses for affordable housing projects such as the project proposed as part of this application.

This project has been designed in accordance with all applicable development and public facility standards as well as all city ordinance and municipal code sections within the City of Fernley. The density bonus associated with this development agreement will not violate other codes and ordinances. Rather, this density bonus encourages the goals and policies of the City of Fernley Comprehensive Plan.

### **Zoning Map Amendment**

#### **Z1. Consistent with the City's Master Plan and otherwise consistent with state and federal law**

Relationship to the Master Plan

##### **1. Mixed Residential (MR)**

The proposed development is located within an area designated as Mixed Residential (MR) in the city's Comprehensive Master Plan. The description of the Mixed Residential land use states the equivalent zoning districts are MDR14 (Medium Density Residential, 7-14 du/ac). Per the Comprehensive Master Plan document, Mixed Residential focuses on Single family detached, small-lot single family detached, single family attached, triplexes, townhomes, condos, manufactured/mobile home parks. Other uses such as lower density multifamily buildings may be permitted by discretionary entitlement. Planned Development (PD) zoning may be applied to the area designated Mixed Residential for entitlement and construction.

The Comprehensive Master Plan goes on to state that Mixed Residential areas are typically located in areas within walking distance to services and amenities. One-fourth (¼) of a mile is usually considered an acceptable walking distance. The Mixed Residential land use is intended to preserve and create a wide range of low-to-medium density housing types. The maximum number of dwelling units that may be located in this district is fourteen (14) units per one (1) acre. Developers are encouraged to integrate a range of housing product types into proposed projects. Municipal services are required for new development within the Mixed Residential land use designation.

2. The Land Use Plan Goals and Action Strategies in the 2018 Comprehensive Master Plan that are relevant to this proposal include:

#### **Population, Housing & Employment**

**HP.1.1 Enhance Fernley's vitality as a community by providing a variety of housing types, density and costs that accommodate the needs, desires and financial abilities of the current and future households.**

HP.1.1.4 Encourage the efficient use of land and existing infrastructure by focusing on achieving good design in new housing or redeveloped housing on either vacant land, infill parcels and/or under-developed parcels.

**HP.1.3 Strive for viable mixed income neighborhoods throughout Fernley that collectively reflect the diversity of housing types and tenure (rental and ownership).**

HP.1.3.1 Encourage a distribution of household incomes throughout the various planning areas.

Land Use

**LU.1.1 Encourage and plan for new development in areas where adequate public services and facilities can be provided efficiently.**

LU.1.1.1 Require new development to provide its proportionate share of improvements to avoid a degradation of services for existing residents. This requirement will be applied regardless of project size in order to avoid incremental erosion of services and facilities.

LU.1.1.2 Encourage development of vacant or underutilized lands within the community core where adequate infrastructure and facilities currently exists.

LU.1.1.3 Require new development to provide certified, stamped studies demonstrating the impact proposed development will have on existing infrastructure and to provide improvements and/or funding in lieu of improvements in proportion to the impacts of the proposed projects on the city's roadway, sewer and water systems.

**LU.1.2 Encourage new development to be in accordance with the Comprehensive Master Plan land use category, and other land use controls to accomplish community principles.**

**LU.1.5 Promote infill development.**

LU.1.5.1 Encourage the intensification of land use in the existing community core.

MDR14 (Medium Density Residential 14 du/ac) zoning is an allowed zoning within the MR (Mixed Residential) master plan designation. The proposed change from SF6 to MDR14 will encourage development of this property within an infill location, near services and infrastructure.

**Z2. Consistent with the surrounding land uses**

This Zoning Map Amendment request conforms with the underlying Master Plan designations and is compatible with the character of the adjacent area. This project site is less than ½ mile from Main Street, a main thoroughfare in Fernley and an area with growing commercial facilities, employment centers and other development. The Master Plan designation of this property and adjacent properties is Mixed Residential, a designation that promotes densities of 7 du/ac to 14 du/ac and specifically identifies MDR14 as a compatible zoning designation.

**Z3. Public notice was given, and a public hearing has been scheduled per the requirements of the Development Code and Nevada Revised Statutes**

Public notice was given, and a public hearing was scheduled per the provisions outlined in the City's Municipal Code and Nevada Revised Statutes.

**Conditional Use Permit**

**CU1. The approving agency must make findings that the proposed Conditional Use will be in compliance with the Master Plan.**

Relationship to the Master Plan

1. Mixed Residential (MR)

The proposed development is located within an area designated as Mixed Residential (MR) in the city's Comprehensive Master Plan. The description of the Mixed Residential land use states the equivalent zoning districts are MDR14 (Medium Density Residential, 7-14 du/ac). Per the Comprehensive Master Plan document, Mixed Residential focuses on Single family detached, small-lot single family detached, single family attached, triplexes, townhomes, condos, manufactured/mobile home parks. Other uses such as lower density multifamily buildings may be permitted by discretionary entitlement. Planned Development (PD) zoning may be applied to the area designated Mixed Residential for entitlement and construction.

The Comprehensive Master Plan goes on to state that Mixed Residential areas are typically located in areas within walking distance to services and amenities. One-fourth (¼) of a mile is usually considered an acceptable walking distance. The Mixed Residential land use is intended to preserve and create a wide range of low-to-medium density housing types. The maximum number of dwelling units that may be located in this district is fourteen (14) units per one (1) acre. Developers are encouraged to integrate a range of housing product types into proposed projects. Municipal services are required for new development within the Mixed Residential land use designation.

2. The Land Use Plan Goals and Action Strategies in the 2018 Comprehensive Master Plan that are relevant to this proposal include:

Population, Housing & Employment

**HP.1.1 Enhance Fernley's vitality as a community by providing a variety of housing types, density and costs that accommodate the needs, desires and financial abilities of the current and future households.**

HP.1.1.4 Encourage the efficient use of land and existing infrastructure by focusing on achieving good design in new housing or redeveloped housing on either vacant land, infill parcels and/or under-developed parcels.

**HP.1.3 Strive for viable mixed income neighborhoods throughout Fernley that collectively reflect the diversity of housing types and tenure (rental and ownership).**

- HP.1.3.1 Encourage a distribution of household incomes throughout the various planning areas.

Land Use

**LU.1.1 Encourage and plan for new development in areas where adequate public services and facilities can be provided efficiently.**

LU.1.1.1 Require new development to provide its proportionate share of improvements to avoid a degradation of services for existing residents. This requirement will be applied regardless of project size in order to avoid incremental erosion of services and facilities.

LU.1.1.2 Encourage development of vacant or underutilized lands within the community core where adequate infrastructure and facilities currently exists.

LU.1.1.3 Require new development to provide certified, stamped studies demonstrating the impact proposed development will have on existing infrastructure and to provide improvements and/or funding in lieu of improvements in proportion to the impacts of the proposed projects on the city's roadway, sewer and water systems.

**LU.1.2 Encourage new development to be in accordance with the Comprehensive Master Plan land use category, and other land use controls to accomplish community principles.**

**LU.1.5 Promote infill development.**

LU.1.5.1 Encourage the intensification of land use in the existing community core.

This site is in an ideal location for a multifamily development intended to increase workforce housing options within Fernley as well as maximize the investments of the City of Fernley into the recently completed Hardie Lane Capital Improvement Project. The design of the proposed project is sensitive to the surrounding area, following all required setbacks and including landscaping surrounding the parcel to mitigate impacts to adjacent residents. The site design pushes the units and community amenities towards the center of the site and places internal roads and surface parking on the border, creating an additional buffer from existing residents.

**CU2. The Conditional Use will be compatible with the existing or permitted uses of adjacent properties.**

This use is allowed within the MDR14 zoning requested by the Zoning Map Amendment associated with this application/project. The design of the project is sensitive to the surrounding area, following all required setback and including landscaping surrounding the parcel to mitigate impacts to adjacent residents. The site design pushes the units and community amenities towards the center of the site and places internal roads and surface parking on the border, creating an additional buffer from existing residents.

**CU3. The potential impairment of natural resources and the total population which the available natural resources will support without unreasonable impairment.**

This is an infill development within an area with existing infrastructure and services. Natural resources are not anticipated to be affected by this development.

**CU4. The availability of and need for affordable housing in the community, including affordable housing that is accessible to persons with disabilities.**

One of the important community principles that guided the 2018 City of Fernley Comprehensive Master Plan update was to diversify Fernley's housing types and provide more affordable options to serve a broader range of the community. The focus of this project will help achieve just that by providing workforce housing for veterans.

**CU5. The Conditional Use Permits impacts have been conditioned to address identified impacts.**

This project has been designed in accordance with all applicable development and public facility standards as well as all city ordinance and municipal code and health and safety standards within the City of Fernley. Any conditions agreed upon with the applicant and the governing bodies will be integrated into the project plans.

**CU6. Public notice has been given and a public hearing held per the requirements of the Development Code and the Nevada Revised Statutes.**

Public notice has been given and a public hearing has been scheduled per the requirements of the Development Code and the Nevada Revised Statutes.

**ATTACHMENTS**

1. Vicinity Map
2. Aerial Map
3. Bill #298 – Ordinance for Development Agreement
4. Development Agreement Draft
5. Master Plan and Zoning Exhibit
6. Bill #299 – Ordinance for Zoning Map Amendment
7. Civil Plans
8. Architectural Site Plan
9. Building Elevations
10. Floor Plans
11. CUP20001 Conditions of Approval