



Building Enterprise Fund Advisory Committee (BEFAC) Minutes

April 27, 2021 9:00 a.m.

Meeting via teleconference only pursuant to NRS 241.02

Pre-register using this link to join the meeting via web or phone:

Web: https://zoom.us/webinar/register/WN_B0ubNv1OT0KtQTDS091_eA

MEMBERS

John Krmptotic, Chair
Teresa DiLoreto
Doug Roberts
Art Sperber
Bob Lissner
Naomi Duerr, Liaison
Vacant
Vacant

AGENDA ITEMS

1. Call to Order, Roll Call, and Determination of Quorum

Chair Krmptotic called the meeting to order at 9:05 a.m.

Members present when the meeting was called to order: John Krmptotic, Teresa DiLoreto, Art Sperber, and Robert Lissner. Council member and BEFAC Liaison Naomi Duerr was also present.

2. Public Comment

There was no public comment.

3. Approval of Minutes

- a. Building Enterprise Fund Advisory Committee – Regular Meeting – January 26, 2021 (For Possible Action)

It was moved by Art Sperber and seconded by Bob Lissner to approve the minutes from the January 26, 2021 meeting. The motion carried unanimously with three (3) members present.

Building Enterprise Fund Advisory Committee – Regular Meeting – February 23, 2021 (For Possible Action)

It was moved by Art Sperber and seconded by Bob Lissner to approve the minutes from the February 23, 2021 meeting. The motion carried unanimously with three (3) members present.

4. City Council Liaison Report

Council-woman Duerr started off by giving kudos to the Community Development Department and all its parts, which include the Building, Engineering, and Planning Departments for all the hard work they have been doing.

5. Community Development Updates on Staffing Changes and Budget Updates

Arlo Stockham announced there is a new Assistant City Manager, Jackie Bryant. Jackie will be overseeing Community Development, Public Works, Revitalization, and Housing. At the last meeting the committee supported a significant suite of budget modifications. Those were approved by the City Council at their last meeting. The one adjustment this group had pointed out was that the GIS Analyst position should probably not be 100% funded through Building Enterprise, so that was approved as a 50% building fund with the remaining 50% pending the general fund decisions.

Arlo also informed the committee they are moving forward as quickly as possible with the other staffing enhancements to keep up with timeliness and thoroughness of permit review. We are starting a little bit of office reorganization. We have several additional positions in the Building Division and Chris Pingree's team along with some reorganization to have a strong management structure. The engineering team has Senior Civil position that will allow us to keep up with the inspection program. We have an Assistant Planner position who will help with permit review. All that added up to about \$1.2 million annually. We also had a one-time expenditure coming in around \$500,000 for a significant consulting contract for Accela. This would enhance the functionality of the program.

Art Sperber asked Arlo if the 5% reduction is still a go for next fiscal year and does it need approval from the City Council.

Arlo replied it was approved in concept, it will get implemented with the new fee schedule on July 1.

John Krmptotic asked Arlo if he knew anything about Jackie Bryant and is she new to the region.

Arlo replied she is an attorney. She previously worked for the Public Utilities Commission and the Governor's Office.

6. Building Enterprise Fund Update

Matt Taylor gave a presentation on the funds budget, showing a chart and spreadsheet reflecting the same information from last meeting. Matt reconciled through March and according to the chart we should be down around a little over \$5 million and we're closer to a little over \$10 million. Matt stated we have a lot of cash going through and had built in the additional positions from what had gotten approved by council. What's happening is the revenues are increasing so much that it's eating up a lot of those additional expenses. We don't know how long these expenses and the revenues are going to be coming in. Matt did a two year trend analysis of where it's going and said it's going to continue at this angle for the next year.

If you want to look at some specific revenues, building permits from last January were 370 \$8,000 and this January is 760 \$6,000, so it's almost twice as much from a year ago. If you look at February it's about \$100,000 more and March is another big difference, last year is 400,000, this year is 660,000. The trend is we're bringing in a lot of money and we've been able to keep our expenses really low, but now that we have to hire more people the expenses should be increasing.

7. Presentation by Dan Morgan, Executive Officer, Builders Association of Northern Nevada (BANN) on residential housing trends.

Dan Morgan started by complimenting Arlo and Angela for their desire of collaborate and work together. The Builders Association very much appreciates it. Dan wanted to put a couple of things in perspective, as recently as this morning it was announced home prices in Northern Nevada are up 12% this year over last year. This is putting a lot of pressure on affordability. Another important thing Dan mentioned is Nevada is the fifth fastest growing state in the country from 2010 to 2020.

Dan said we are kind of like the perfect storm from a residential single family and multifamily perspective. We're seeing great growth and we've created a community that people really want to live.

Dan talked about other interesting facts. Dan did a couple of comparisons and this data is accurate as of the beginning of this year. He compared sales prices and price ranges for 2010 to 2020. In 2010 43% of the homes that were sold throughout Washoe County were in the price range between \$200,000 and \$250,000. This takes into account resales as well as new construction. In 2020 43% of the homes that were sold in the region were in the \$350,000 to \$500,000 range. Obviously some of this is affected by basic economics and supply and demand.

One of the concerns in the building and development community is lack of land inventory and land bank. We've all heard from the Economic Development Authority, Realtors Association and a number of different organizations about our land supply for residential development in the region and how it's going to be a problem. The other big concern is labor. The development community is having a very difficult time with qualified labor. It is causing a significant issue and is something that the builders association is addressing and focusing on.

Bob Lissner gave a builders perspective on all of this. Bob mentioned the 12% increase from year to year is not only in prices, but also in resales. They track resales for Reno city wide and in Cold Springs where it's more like 20%. Bob was told by employees at a government agency "if you guys would stop turning in garbage you would get your approvals quicker". Then Bob had someone in the private sector who does plan check agreed with what was said. One of the persons said if you would turn in quality work, you would get your reviews back quicker and not have two and three rounds of reviews.

During this discussion John Krmpotic asked for clarification from Bob about the structural engineers product verses an entitlement application verses civil improvement drawings.

Bob Lissner replied yes, these are civil drawings of mostly final maps and tentative maps.

8. City of Reno Division and External Partner Agency Updates (15 minutes)

a. Building & Safety Division Update – Building & Safety Manager, Chris Pingree

Chris Pingree updated the committee starting with the increase in permits, workload, and everything else. Taking into consideration we kind of shut down for a couple of weeks having a big lull during the initial COVID response when we started working remotely and lost a little productivity due to switching to most of the electronic processes. Chris added to everybody else's comments that permit numbers are up 35% from January 1 to April 27, 2021 comparatively to the 2020 year. There is an influx of 40% increase in residential permits. Commercial permits were up 26% year to date.

As far as plan reviews, an increase of 43% in total reviews year to date 2020 to 2021.

Chris commented on the “turning in garbage” discussion earlier. He said the lack of industry professionals putting together a complete and thorough set of plans, obviously creates a cog in the wheel when it comes time for review periods. Chris went on to say this year to date they have completed 11,650 reviews. Building inspections are up a little over 20% from last year completing 21,000. So far this year they are at 26,000 individual inspections.

b. Planning Division Update – Planning Manager, Jeff Borchardt

Jeff Borchardt reported to the committee that Planning staff will be discussing the long term department work program with the City Council. Jeff stated they have had a bit of a lull in terms of cases this month with five, compared to a much higher level last month with 15 cases. Jeff reported the cases they are receiving now are much more complicated.

Jeff added there is not a lot of flat stuff left and those that are flat are infill projects which bring their own set of constraints. Some of which require tons of email correspondence back and forth. In fact one of the cases had over 400 emails to respond back to. This takes quite a bit of time from our Planners to go back and forth on one thing. Jeff says planning is getting a lot more projects on hillside which requires a different skill set in order to look at grading and how that plays into the visual impacts and the environmental impacts. Jeff foresees a lot more complex projects coming forward that will require a lot more attention to detail.

c. Engineering Division Update – Engineering Manager, Mike Mischel

Mike Mischel reported recruiting has begun for the new Senior Civil Engineer.

John Krmpotic asked Mike what the role is of the Senior Civil Engineer.

Mike replied they will be my right hand person, they will know how to do a lot of the duties that I am currently doing.

d. Fire Department Update – Fire Marshal, Tray Palmer

Angela Fuss spoke on Tray Palmer’s behalf. Tray reported they are in the process of training an additional Plan Reviewer. This reviewer will keep up with the increase in construction and permits.

e. Washoe County Health District – Wes Rubio

Chris Pingree spoke on Wes Rubio’s behalf. The relationship with the Health Department has been really good over the last year, especially with everything Health had to do with COVID. Chris said they ended up splitting duties of delivering paper plans with the electronic processes. There are some things that we are going to clean up on our end to help foster the success of the review process.

f. Truckee Meadows Water Authority – Danny Rotter

Danny Rotter reported on their development numbers, They see a yearly cycle as everybody ramps up for the springtime grading and construction. The first quarter of 21 was top three in the last five years in terms of quantity of projects. The land that is left is

complicated to serve. TMWA has 115 pump stations throughout our system that includes all of Sparks and Washoe County. Danny is tracking about 20 that could come online in the next five plus years and that is just type of development. That doesn't include replacements or bringing surface water to areas when it was previously groundwater, so from the facility side of things it is also intensive as you talk about that land that is harder to serve.

Danny stated he would not use the term "garbage", but in the February Board of Engineers newsletter, they actually studied this. They formed a group and they looked at a couple of different agencies around Nevada and in the private sector and found 35% require more than three reviews. TWMA took a look at themselves and saw they were 30% that required more than three reviews.

Danny added general comments from the TMWA side. NDEP regulations changed last summer regarding public records and whether it should be paper or digital. They allowed digital which allowed us to go fully digital. Also Washoe County Health and NDEP are reengaging. They took a little bit of a break do to COVID. They are looking to get their contract in place for July.

9. Next Meeting – July 27, 2021 – The committee may cancel the meeting, make changes to the date or time, and set topics for discussion.

10. Public Comment

There was no public comment.

11. Adjournment

It was moved by Member Art Sperber and seconded by Member Bob Lissner to adjourn the meeting.

The motion carried unanimously with three (3) members present.

Meeting adjourned at 10:50 a.m.