



Affordable Housing Workshop

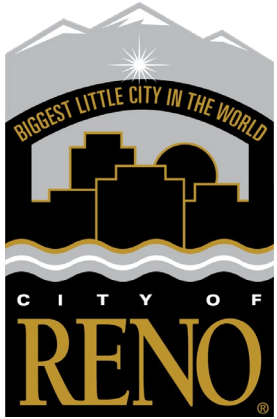
*Housing affordability, availability, and
expected growth in the City of Reno*

February 22, 2022

Overview



- This presentation: Provide baseline data and terminology (no action requested)
- Current state of housing in Reno: availability and affordability
- How and where we expect to grow
- Options to reduce the gap between what's needed and what's available



Definitions



Definitions

What do we mean
when we say _____?



1

Dwelling Units

Single-family home, townhome, condo, apartment, etc.

2

Area Median Income (AMI)

Also referred to as median family income; sliding scale adjusted for household size.

3

Housing Affordability

Extent to which an area's residents can afford to purchase or rent a home in the area and not be housing-burdened.

4

Housing-Burdened

Households paying over 30% of their pre-tax income to housing expenses (including utilities).

5

Affordable Housing

Serves households 60% AMI and below. Creation often requires layered financing to make projects feasible.

Definitions

What do we mean
when we say _____?



6

Subsidized Housing

Housing that can be obtained at below-market rates due to government subsidies.

7

Workforce Housing

Housing for occupations critical within every community (ex. teachers, fire, police, service workers, nurses, etc.); located within the community these occupations serve. Generally for workers earning 60-120% AMI.

8

Inclusionary Zoning/Housing

Requirement for development projects to provide affordable units and/or a contribution to an affordable housing fund.

9

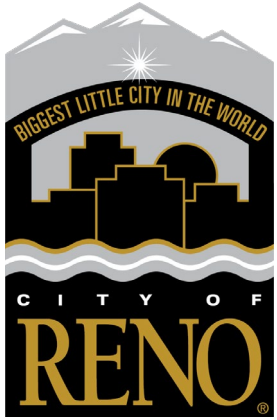
Median and Average

Median: Middle number in a sorted list of numbers.

Average (aka mean): Calculated by dividing the sum of values in a data set by the number of values.

Example: 2, 7, 9, 9, 12, 15, 18, 52, 250.

Median = 12 Average = 41.6



The Data:

Reno Area Incomes and Housing Costs



The Data

Area Incomes and Housing Costs

- **Median sales price for single-family home³:**
 - Reno: \$600,000
 - Reno/Sparks: \$570,000
- **Average Reno/Sparks rent:**
 - Q1 2020: \$1,341
 - Q4 2021: \$1,616 (almost a 21% increase in a 2-yr period)
- **Across the U.S., 7 out of 10 US households are unable to afford a median priced home⁴**
- **NAHB: Less than 23% of households in Reno earn enough to qualify for a median-priced home⁴**
 - Based on a lower-than-current median home price (\$541k), and lower-than-current interest rate (2.8%), so real percentage is likely lower

**Area Median Income¹
(family of 4):
\$83,800/yr. (\$6,983/mo.)**

**60% AMI:
\$50,100 (\$4,175/mo.)**

**60% AMI considered
housing burdened if
rent + utilities exceeds:
\$1,252/mo.**

**Average Monthly Rent:
\$1,616²**

Sources:

¹ HUD, for Reno MSA

² Johnson Perkins Griffin

³ Reno/Sparks Assoc. of Realtors

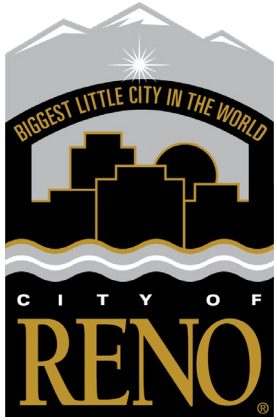
⁴ National Assoc. of Home Builders

Median Sold Price for Reno/Sparks 2018-2021

Year over Year			Month over Month		Year to Date		
Dec 2021	Dec 2020	Change	Nov 2021	Change	2021	2020	Change
\$545,000	\$449,700	▲ 21.2%	\$535,000	▲ 1.9%	\$515,000	\$427,000	▲ 20.6%



Source: Reno/Sparks Association of Realtors



The Data:

Expected Growth in the Next Decade



Expected Growth in Reno by 2030

2021

Reno Population: 264,318

Dwelling units: 118,612

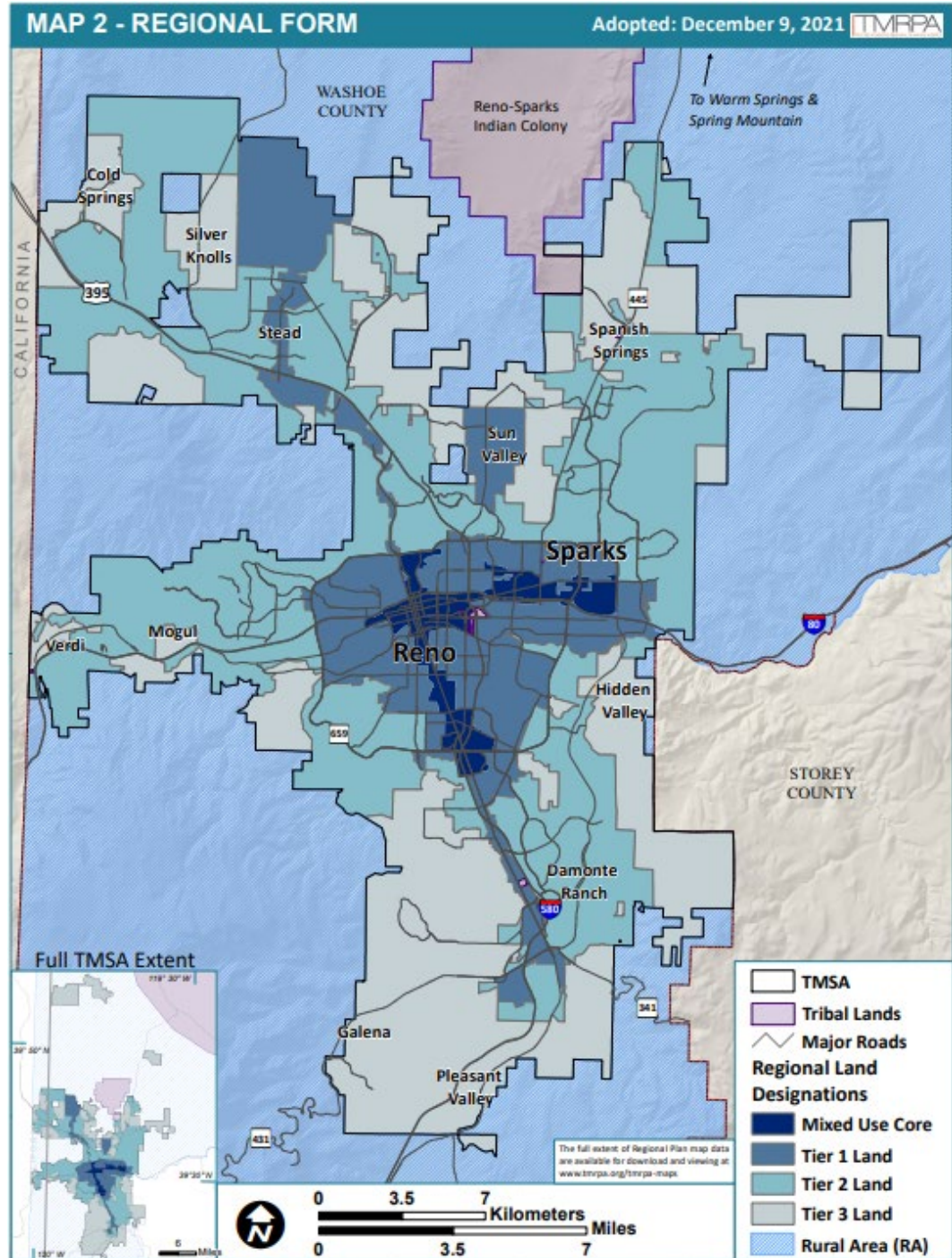
2030 **Estimates**

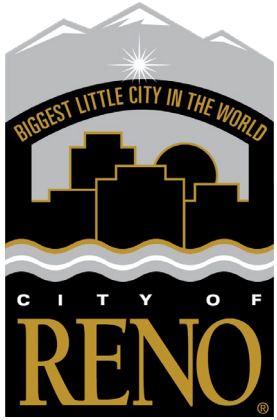
Reno Population: 313,708

Dwelling units: 132,927

(Increase of almost 50,000 residents and over 14,000 dwelling units in Reno)

Sources: State Demographer; Truckee Meadows Regional Planning Agency





The Data:

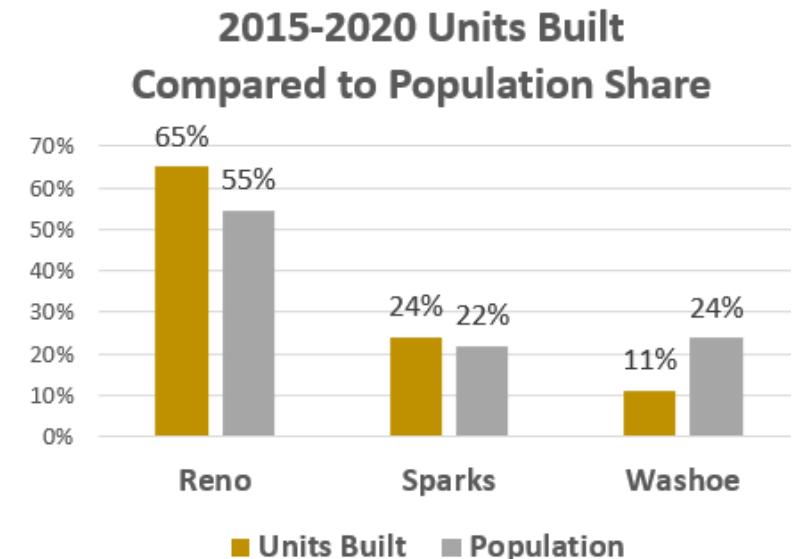
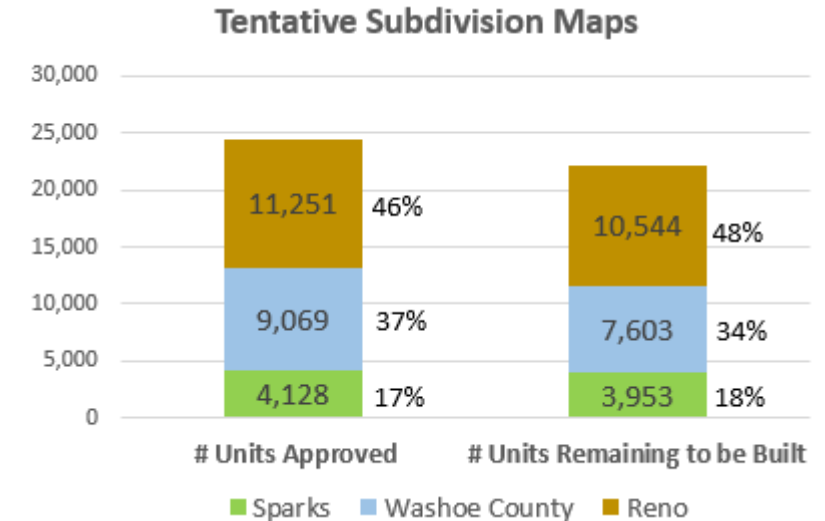
Units Existing and in the Pipeline



The Data

Units Existing and in the Pipeline

- **Planned Unit Developments (approved lots remaining to be built)¹**
 - Reno: 39,850
 - Regionally: 55,319
- **Subdivisions (approved lots remaining to be built)¹**
 - Reno: 10,544
 - Regionally: 22,100
- **Existing dwellings in Reno¹**
 - Multi-family: 45,169
 - Single-family: 71,901
- **Dwellings brought online in Reno in last two years**
 - Multi-family: 3,815
 - Single-family: 3,222
- **Dwellings to start construction in 2022**
 - Multi-family: 2,200
 - Single-family: Over 2,000



¹ Source: Truckee Meadows Regional Planning Agency

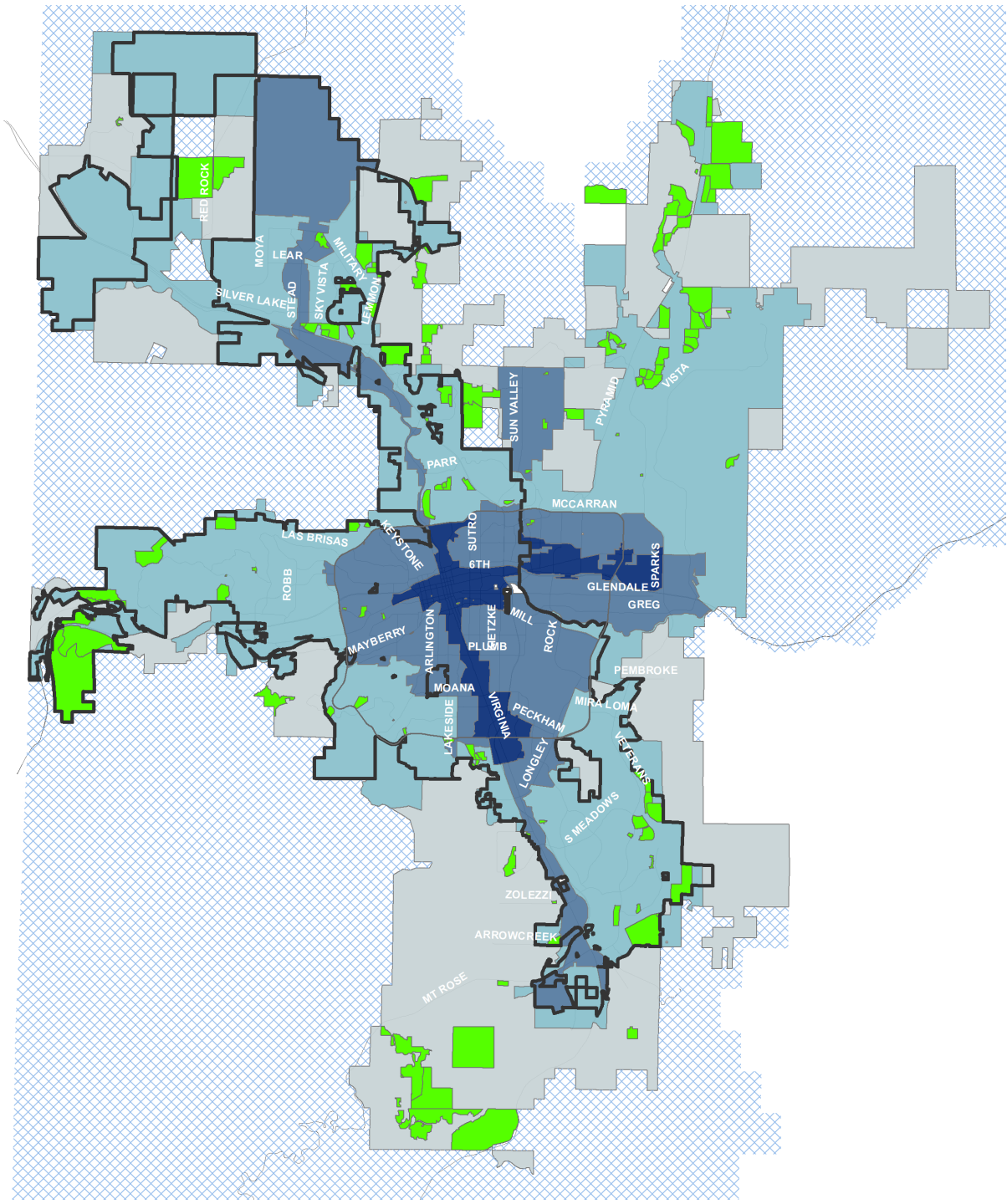
Active Approved Subdivisions

Legend

- Subdivision Boundaries
- Reno City Limits
- Major Roads

Regional Land Designations

- Mixed Use Core
- Tier 1
- Tier 2
- Tier 3
- Rural Area



Source: Truckee Meadows Regional Planning Agency

Reno/Sparks Apartment Projects

Market-rate projects with
over 80 units

Units under construction:
4,068

Units in planning stages:
6,461

Projects Under Construction

Project Name	Units	City
Villas at Keystone Canyon-Ph. II	115	Reno
Esprit Townhomes	126	Reno
Westlook	192	Reno
Indigo	260	Reno
Emory at RED	282	Reno
The Retreat	283	Reno
Integra Peaks	300	Reno
SyRes	330	Reno
Basecamp at RED	340	Reno
Overlook at Keystone Canyon	342	Reno
Double R Apartments	440	Reno
Reno City Center (was Harrah's)	530	Reno
The Atrium	132	Sparks
Stonebrook Apartments	396	Sparks
Total Units:	4,068	

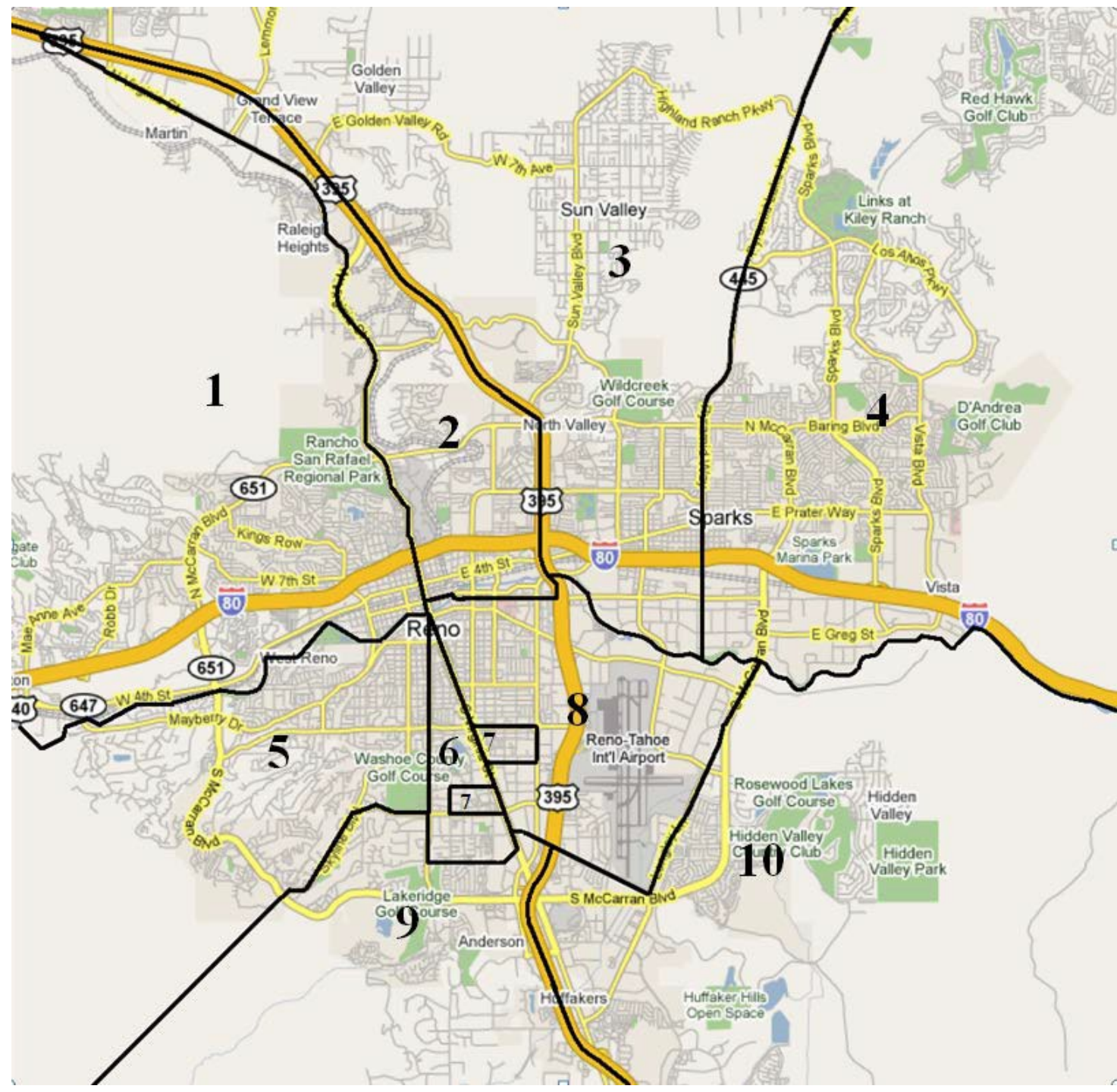
Projects in Planning Stages

Project Name	Units	City
Ryland Apartments	90	Reno
Bennie Lane Studios	119	Reno
Northtowne Apartments	120	Reno
The Kallan	242	Reno
Edison	242	Reno
550 North Virginia	261	Reno
Elysium	270	Reno
The Lakes at Lemmon Valley	280	Reno
5th & Vine Apartments	295	Reno
Gardella Avenue Apartments	300	Reno
Palomino	328	Reno
Lemmon Landing	342	Reno
Reno Experience District	359	Reno
Riverfront Apartments	393	Reno
Ballpark Apartments	396	Reno
Spectrum-Dandini Dev.	420	Reno
PromWest	168	Sparks
Promenade-Phase I & II	288	Sparks
Kiley Ranch North Phase 6	306	Sparks
The APEX @ Vista	360	Sparks
Azure-Phase II	441	Sparks
Kiley Ranch Apartments	441	Sparks
Total Units:	6,461	

Reno/Sparks Apartment Projects

		Units	
Area	Submarket	Under Construction	Planning Stages
1	Northwest Reno	932	537
2	Northeast Reno		661
3	W. Sparks/N. Valleys		1162
4	East Sparks	396	1548
5	West Reno		
6	Southwest Reno		
7	Brinkby/Grove	622	359
8	Airport		
9	Lakeridge		
10	Southeast Reno	1456	598
11	Downtown Urban	662	1596

**Submarket Area 11 contains portions of Downtown Reno and Downtown Sparks and is not depicted on the map.*

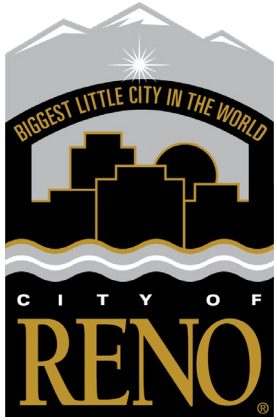


Source: Johnson Perkins Griffin
Q4 Apartment Survey

Data Summary



- The region is building, but ...
- Demand is exceeding supply
- Housing costs are at record highs
- For those renting or looking to purchase a home, housing costs are above what the majority of residents can reasonably afford
- Housing affordability is at crisis-levels in jurisdictions across the U.S. (Reno/Sparks is not alone)



How Do We Reduce the Gap?





How Do We Reduce the Gap Between Income and Housing Costs?

1

Recognize that there is not a silver bullet and acknowledge there are factors outside of the City's control (ex. construction labor shortage; material costs; significant supply chain issues; rising interest rates; inflation at a 40-year high)

2

Identify options to help increase supply of overall units built annually, especially higher density housing in priority growth areas (work with developers and housing experts to better understand bottlenecks or constraints that may be within the City's control or ability to impact)

3

Focus on affordable housing production (methods to incentivize, support, and/or require affordable housing)

4

Identify and implement zoning code and process improvements (ex. tools such as accessory dwelling units, inclusionary zoning, updated permitting processes and standards, etc.)