

**Summary:** This issue sheet outlines preliminary recommendations for Module 3 of the Development Code update (Administration and Procedures). Potential amendments focus on the following topics:

1. Development review process improvements;
2. New tools for design alternatives and flexibility;
3. Project approval Findings; and
4. Planned Unit Developments and Specific Plan Districts.

Development review process improvements: The Targeted Code Assessment Report made a number of recommendations related to improving the efficiency of development review procedures—in particular, by streamlining the approval process for relatively minor decisions. Development processing costs can be significant barriers for small businesses and are a substantial expense for the City.

Specific recommendations include:

- Reduce reliance on Special Use Permits (SUPs): Reno uses the SUP process more extensively than many other communities. The Code Assessment recommends reducing the use of the SUP tool with concurrent approval of enhanced development standards and expanded use of refined Site Plan Review (SPR) processes in lieu of certain SUPs.

SUPs and SPRs have the same public notification requirements (750 feet with minimum 30 owners) and decisions for both processes are appealable, but SPRs have a shorter process if not appealed (30 days vs 65+30 days), reduced application fees, and an initial administrative decision with no public hearing required. SPRs can be processed as SUPs at the request of an applicant. This option is often used when an application involves other requirements for Planning Commission review.

Issue Sheets 1A-1C recommended against substantial relaxation of SUP requirements in the land use tables. Module 1 of Code has been drafted accordingly with only modest and targeted changes to SUP requirements for land uses in each zoning district. Further streamlining of “use based” SUP thresholds is recommended to be considered after implementation of the Code update and evaluation of projects reviewed under the updated code standards.

Issue Sheet 2A outlined recommendations for enhanced grading standards and reduced reliance on SUPs for cuts and fills and for hillside development. The Planning Commission raised some concerns about reduced SUPs reviews. City Council will consider the Planning Commission recommendations on August 14 (following publication of this issue sheet). Council action on the topic will be summarized at the August 21 Planning Commission meeting.

Staff also recommends replacing SUPs with SPRs for non-residential development adjacent to residential zoning districts, and for “cluster” and “small” lot development proposals.

- Distinguish between major and minor site plan review: To help distinguish big projects from small and better allocate resources, many communities define “major” and “minor” site plan reviews, with more substantial submittal requirements allotted to larger and/or more complex projects. Staff recommends that smaller projects (no greater than 5 acres in size and three stories in height) that require a SPR be reviewed as Minor SPRs with reduced application requirements and property owner notifications. Larger projects would be considered Major SPRs. Minor SPRs would notify 250 feet with minimum 10 owners. Major SPRs and SUPs would continue to notice 750 feet with a minimum of 30 owners. Because these cases tend to involve design related determinations rather than legal issues, staff recommends that SPR appeals be reviewed by the Planning Commission instead of the Hearings Examiner. Summary Table A outlines process requirements for SUPs and SPRs.

<b>Summary Table A</b>					
<b>Draft Process for Special Use Permits and Site Plan Reviews</b>					
<b>Application Type</b>	<b>Notification Radius</b>	<b>Notification Min #</b>	<b>Initial Decision</b>	<b>Appeal</b>	<b>Final Appeal</b>
Special Use Permit	750 Feet	30 Owners	Planning Commission 65 + 30 Days		City Council
Major Site Plan Review	750 Feet	30 Owners	Administrator 30 Days	Planning Commission	City Council
Minor Site Plan Review	250 Feet	10 Owners	Administrator 30 Days	Planning Commission	City Council

- Expand SUP and SPR exceptions. Strategic and targeted additions to SUP and SPR exempt activities are warranted in certain situations. For example, nonresidential developments that are adjacent to residential zoning - but only across a freeway or major arterial - should not warrant a discretionary review process due to residential adjacency. Similarly, with enhanced design standards and master plan policies supporting urban revitalization, larger additions to approved projects appear appropriate without special use permit review (see discussion below). Other targeted changes to SUP and SPR exemptions may be identified in the code drafting process.

- **Improve Process for Entitlement Amendments:** The new code should clarify the process for amending existing permits and approvals. The Master Plan recommends reviewing possible approaches for allowing amendments to PUDs, particularly ones that were approved a long time ago, and might not make sense given changes in the community’s housing needs. The current code does not distinguish between major and minor amendments to approved projects, thus treating all changes to approved plans, permits, and or conditions of approval the same and essentially requiring a new application.

In conjunction with enhanced development standards, staff recommends increasing the current SUP exemption limit for expansions to approved developments from 10 percent to 20 percent with larger expansions allowed with a SPR.

Staff further recommends the establishment of a process to approve minor additions to projects in PUDs and not require a full PUD amendment process. For example, some codes allow the administrator to approve minor amendments to approved PUD plans if they meet the criteria listed below. A similar ordinance appears reasonable for Reno’s updated code.

- The amendment shall not change the ratio of residential units to square feet of non-residential building square footage by more than 10 percent.
- The number of residential units shall not be increased by more than allowed in the underlying Master Plan land use.
- The gross square footage of non-residential building area shall not be increased by more than 10 percent.
- The amendment shall not change the allowed uses listed in the approved PUD plan.
- The number or location of vehicular access points shall not be changed in a way that negatively impacts public safety or the flow of traffic onto public streets.

New Tools for Design Alternatives: There are times when deviations from design standards and other requirements are necessary to accommodate creative, unique, and beneficial projects. In these cases, the Code Assessment recommends potential new tools and approaches for design alternatives and flexibility. The City does not currently have a mechanism for review of significant deviations from code standards for properties that are not “characterized by an extraordinary or exceptional situation or condition, such as exceptional narrowness, shallowness or shape, or exceptional topographic conditions” (a key variance finding).

- **Minor Deviations:** State law authorizes the granting of minor deviations (less than 10 percent) without conducting a hearing. Notice and consent from surrounding property owners is required. In Reno, this authority is being used already, but it could be expanded modestly to allow deviations from a broader range of standards than is currently allowed.
- **Major Deviations:** The City of Sparks uses Major Deviations to review applications for deviations of code standards up to 50 percent. These would be helpful for review of

beneficial deviations and could be noticed and reviewed the same as for Major and Minor SPRs. Approval would require a finding of no significant impact, but would not require that the property have an extraordinary or exceptional situation.

- **Alternative equivalent compliance:** Similar to deviations, some communities adopt an alternative compliance tool that allows deviations from design-based standards (versus quantifiable standards like setbacks and height). The tool allows an applicant to introduce a proposal they feel meets the spirit, if not necessarily the strict letter, of a design-based regulation. This would allow developers and designers to pursue creative projects while still fitting in with the character of the surrounding neighborhood. Alternative design requests could be noticed the same as for Major and Minor SPRs or could be administered by a separate Design Review Committee (DRC—see next) or by the Planning Commission. Administrative approval may be appropriate for alternative compliance opportunities for specific code sections. Approval criteria will need to be clear to prevent this from being used as a mechanism to avoid code requirements without compensating benefits.
- **Design Review Committee (DRC):** The Code Assessment discussed the possible creation of a DRC to consider deviations from the code’s design standards and other possible roles. Communities take a range of approaches to their design review committees, tailoring the committee’s membership, powers and duties, and procedures to their specific needs.

There are positives and negatives of establishing a DRC as an additional reviewing and/or decision making body. A DRC could have membership with specialized design expertise and could reduce caseload for the Planning Commission. However, creating a DRC would increase administrative expenses for the City – potentially by a significant amount.

Staff recommends that a DRC not be established with the code update, but be considered following an implementation period of at least one year under the updated code. The Planning Commission currently has significant design expertise and should have a modestly reduced caseload for other types of applications with the targeted process changes outlined above. This arrangement could be implemented for a period of time, with DRC establishment considered if meetings routinely go long or if other challenges emerge.

Clarify project approval findings: This City currently utilizes standard “Findings” for approval of SUPs and other discretionary review cases. Supplemental Findings are also required for certain categories of requests. The standard Findings address a wide range of potential impacts and are often not applicable to the project being requested. For example, the standard SUP Findings related to public services, traffic impacts and window placement read more like code standards and are not relevant to many SUP requests. Staff recommends the City review and update all project Findings so the Findings for each request directly relate to the type of applications being reviewed.

Planned Unit Developments and Specific Plan Districts: The Code Assessment recommended a series of code amendments intended to minimize the use of Planned Unit Developments (PUDs) in the future. The Code Assessment also recommended elimination of the Specific Plan District (SPD) tool. The PUD and SPD districts have been used extensively in the past to establish targeted allowances and restrictions for new development projects that don't fit cleanly in any individual zoning district.

Some changes (such as requiring consistency with Master Plan Land Use designations) are called for in the Master Plan. Other changes were proposed primarily to facilitate the consistent and efficient administration of code. PUDs and SPDs have been valuable tools for addressing unique projects and areas, but the long-term administration and enforcement of multiple PUDs and SPDs has proved challenging.

For new PUDs that are proposed, the Code Assessment recommended:

- Establishing a Two-Step Approval Process for new PUDs. First, the City would process a preliminary approval of a conceptual plan for the PUD, followed by a more formal approval process.
- Establish Clear Public Benefit Requirements. The intent of PUDs is not only to provide flexibility, but to also elevate the quality and creativity of a development beyond what would be possible under current zoning. Additional specificity was recommended to clarify the types of public benefits that must be provided in exchange for PUD approval.
- Require a Fiscal Impact Analysis with PUD applications.
- Require Use of Master Plan Land Uses. Previous practice in Reno allowed developers to create their own land use designations within PUDs, and apply a unique set of standards to these designations. Under Master Plan policy, land uses identified in new PUD handbooks should be required to conform with (or nest within) the Master Plan land use categories in regards to types of development and/or ranges of development density.
- Require a Greater Mix of Housing Types.
- Applying Consistent Time-Limit and Phasing Criteria.
- Establish a Process to Convert SPDs and PUDs to Base Zoning.

There are positives and negatives associated with these additional restrictions on PUD applications. The City would likely get more predictable and consistent PUD applications that do not use the tool as a "loophole" to avoid standard code requirements. However, The City may also get fewer PUD applications and fewer opportunities for win-win arrangements that are often provided in PUD approvals. Positive compromises in approved PUDs have included supplemental project compatibility provisions, use restrictions, privately funded development and maintenance of public recreation areas, and other creative arrangements.

Staff is requesting that the Planning Commission and City Council review this matter and confirm that the establishment of additional requirements intended to limit the use of PUDs is

still desired as a matter of policy. Staff also recommends standardizing the format for new PUDs to improve administration.

The Code Assessment also recommended eliminating Specific Plan Districts (SPDs) as a zoning district. Like PUDs, administrative concerns have been raised about the consistency of SPD content and about SPDs being used as a “loophole”. Additionally, some legal concerns have been raised that SPDs could be subject to challenge because they are not specifically authorized in NRS. Nevada is a Common Law State with limitations on local government authorities (known as “Dillon’s Rule”). The concerns about SPDs are legitimate, however SPDs have also been a valued tool to allow certain land uses on specific sites without allowing a full range of uses that would be necessary with a rezoning to a standard zoning district. SPDs have also been used to restrict development intensity or building height on specific sites to a greater degree than would be possible with traditional zoning districts. Without SPDs and with PUDs discouraged, the City would have fewer tools to implement compromise arrangements for controversial development proposals.

Subsequent to preparation of the Code Assessment, staff became aware of new legislation now contained in NRS 268.001 that modifies Common Law (Dillon’s Rule) requirements that have traditionally applied in Nevada. These changes appear to incorporate some “Home Rule” provisions for local governments in Nevada and may allow the City to continue to utilize SPDs without concern over legal challenges. Given the added restrictions for PUDs and lack of other mechanism for zoning related compromises, staff recommends that the Planning Commission and City Council direct staff to research the implications of NRS 268.001 and if permissible retain SPD zoning with clear criteria for the organization of SPD documents and the topics that may be modified by SPDs (to generally include land uses, density, intensity, building height and provisions for compatibility with surrounding land uses).