

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Eightieth Session
May 8, 2019**

The Committee on Government Affairs was called to order by Chair Edgar Flores at 8:39 a.m. on Wednesday, May 8, 2019, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/80th2019.

COMMITTEE MEMBERS PRESENT:

Assemblyman Edgar Flores, Chair
Assemblyman William McCurdy II, Vice Chair
Assemblyman Alex Assefa
Assemblyman Richard Carrillo
Assemblywoman Bea Duran
Assemblyman John Ellison
Assemblywoman Michelle Gorelow
Assemblyman Gregory T. Hafen II
Assemblywoman Melissa Hardy
Assemblyman Glen Leavitt
Assemblywoman Susie Martinez
Assemblywoman Connie Munk
Assemblyman Greg Smith

COMMITTEE MEMBERS ABSENT:

Assemblywoman Shannon Bilbray-Axelrod (excused)

GUEST LEGISLATORS PRESENT:

Senator David R. Parks, Senate District No. 7
Senator Ben Kieckhefer, Senate District No. 16

STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Asher Killian, Committee Counsel
Geigy Stringer, Committee Secretary
Trinity Thom, Committee Assistant

OTHERS PRESENT:

Jacqueline Cope, representing Nevada Chapter, American Council of Engineering Companies
Russell Rowe, representing Nevada Chapter, American Council of Engineering Companies
Alexis Motarex, Government Affairs Manager, Nevada Chapter, Associated General Contractors of America
Aaron West, CEO, Nevada Builders Alliance
Angela Fuss, Group Manager, Engineering Division, Loomis and Associates
Melinda Smith, representing Builders Association of Northern Nevada
Patrick Donnelly, Nevada State Director, Center for Biological Diversity
Maxine Hauser Nietz, Private Citizen, Carson City, Nevada
Michael Lawson, Member, Washoe County Planning Commission
John Fudenberg, Coroner, Government Affairs, Office of the Coroner/Medical Examiner, Clark County
Jamie Rodriguez, Government Affairs Manager, Office of the County Manager, Washoe County

Chair Flores:

[Roll was called. Committee rules and protocol were explained.] We have three items on the agenda, but we will not be hearing all three items. We will only be hearing Senate Bill 175 and Senate Bill 327 (2nd Reprint). If anybody is here for Senate Bill 166 (1st Reprint), I want to alert you that we will be rolling that. We apologize that some of our members are missing; there are a few events going on and some of our members were coordinating them. They need an extra few minutes for that.

Senate Bill 166 (1st Reprint): Revises provisions relating to employment. (BDR 18-5)

[This bill was not heard.]

Chair Flores:

We are going to start with Senate Bill 175, which revises provisions relating to public works.

Senate Bill 175: Revises provisions relating to public works. (BDR 28-618)

Jacqueline Cope, representing Nevada Chapter, American Council of Engineering Companies:

Senate Bill 175 is a corrective measure from the legislation last session. Senate Bill 246 of the 79th Session, adopted in 2017, created an exemption to the \$5 million threshold by permitting two projects per year under the threshold. This exemption was part of an amendment adopted in the Senate Committee on Government Affairs that included a sunset in 2021 to coincide with other sunsets. However, the reprint of the bill included the two-project exemption but it did not include the sunset. Chairman David Parks kindly provided Senate Bill 175 to correct the error. I am here for questions. Russell Rowe is at the Grant Sawyer State Office Building to assist. Thank you for hearing me today.

Senator David R. Parks, Senate District No. 7:

I am here to provide support. Hopefully, I will not get asked any questions. If it is the desire of the Chair, we could go to Las Vegas and hear from Mr. Russell Rowe.

Chair Flores:

Certainly. Members, if we have questions, please only direct them to Chair Parks. We will go to Las Vegas.

Russell Rowe, representing Nevada Chapter, American Council of Engineering Companies:

Thank you for allowing me to testify from Las Vegas today. This bill, as Ms. Cope explained, is really a corrective measure for an error that occurred in Senate Bill 246 of the 79th Session, where this sunset provision was left out. It coincides with the other sunset provisions in that bill. The Chair of the Senate Committee on Government Affairs was kind enough to let us bring this to you today.

If I may add, Mr. Chair, Jacqueline Cope is our William S. Boyd School of Law extern. She is a very skilled lawyer-in-training. We are honored to have her as part of our team, and I would commend her to any of you and the Legal Division of Legislative Counsel Bureau and anyone else in our legal community. She is an outstanding Boyd Law student.

Chair Flores:

I think all Boyd Law students are amazing. Thank you, all three. Hopefully, this bill is as simple as it looks. We will open the hearing up for questions.

Assemblyman Carrillo:

You said this was an issue that arose in S.B. 246 of the 79th Session and I see the strikeout in the bill. But what are we doing here? It seemed like a very short presentation; what did I miss?

Russell Rowe:

Senate Bill 246 of the 79th Session, as you know, had a number of provisions in it that were almost entirely related to construction manager at risk (CMAR). There was one provision that related to the design-build process brought by the City of Henderson, which created an exception to the \$5 million design-build threshold. We worked with the city on that language and jointly brought an amendment to create this two-project annual exception that would sunset concurrently with the other sunsets within S.B. 246 of the 79th Session. It just got missed in the amendments that came out of the Senate. The two-project exception was put in, but the sunset did not get written into the draft.

We actually testified to that in the Assembly Committee on Government Affairs, and due to the procedural nature of the bill, the changes did not get in before the 2017 Session ended, so this is just a corrective measure for that.

Chair Flores:

Members, are there additional questions? Seeing none, I would like to invite forward those wishing to speak in support of Senate Bill 175. Seeing no one, is there anyone wishing to speak in opposition to Senate Bill 175? Seeing no one, is there anyone wishing to speak in the neutral position to Senate Bill 175?

Alexis Motarex, Government Affairs Manager, Nevada Chapter, Associated General Contractors of America:

We are here today in neutral position to the bill. We have been in conversation with the sponsor and with Mr. Rowe about a possible amendment to define "discrete project" throughout *Nevada Revised Statutes* (NRS) Chapter 338 to mean a public work project that is undertaken on a single construction site per public body and that bundled projects at multiple locations shall not be considered discrete projects. I believe we are still waiting to hear if Mr. Rowe's client is amenable to this, but we thought that we would try to clarify the legislative intent from 2013 as to what a "discrete project" is.

Chair Flores:

Members, are there any questions?

Assemblyman Carrillo:

Maybe Mr. Rowe can speak to us about discrete projects.

Russell Rowe:

We just reviewed this proposed amendment yesterday and sent it to our client. Thus far, we have not had any feedback. I would have to say we are neutral on the substance of the amendment. At this point, we would simply ask the Committee for its indulgence and courtesy with respect to this bill. If there are any concerns with respect to the amendment, we would obviously rather not have those hold up this very simple legislation. But if there are not, we of course would leave the decision to you with respect to whether this amendment should move forward with the bill.

Assemblyman Carrillo:

Can you give me a definition of a discrete project?

Russell Rowe:

I actually looked up "discrete" in the dictionary yesterday, because it is not defined in statute. It simply means "separate, distinct." I am not aware of any problems that have been created with respect to the lack of a definition of discrete within NRS, but I am sure Ms. Motarex can speak to that.

Alexis Motarex:

Current law states that in counties of less than 100,000 population, CMAR can be used for only two discrete projects per year. There have been cases of projects being bundled together and CMAR being used as the delivery method. We are only trying to clarify the definition of "discrete" to make it match legislative intent and to try to put the actual definition of "discrete" in the statute so that there are fewer questions about what it means.

Assemblyman Ellison:

I remember this from last session, where they were bundling the projects. Is this what you are trying to address? The bundling?

Alexis Motarex:

Yes. We are just trying to make sure that everybody is on the same page with what "discrete" means so that projects are not bundled together in order to qualify for CMAR.

Chair Flores:

Seeing no other questions, is there anybody else wishing to speak in the neutral position? Seeing no one, Senator, do you have closing remarks?

Senator Parks:

Thank you for hearing S.B. 175. I believe that the proposed amendment does not have a direct impact on what we are seeking in the bill. However, I share the same thoughts that Mr. Rowe has relative to the proposed amendment.

Chair Flores:

We are going to go ahead and close out the hearing on Senate Bill 175. We will open the hearing on Senate Bill 327 (2nd Reprint), which revises provisions relating to land use planning.

**Senate Bill 327 (2nd Reprint): Revises provisions relating to land use planning.
(BDR 22-883)**

Senator Ben Kieckhefer, Senate District No. 16:

I am joined at the table by Angela Fuss with Loomis and Associates to talk about a bill that is much more about land development than planning. Senate Bill 327 (2nd Reprint) is an attempt by the production side to address the affordable housing crisis that we are all facing.

We have seen a number of bills come through the Senate talking about the various tools that are available to governments to deal with housing affordability based on market manipulation strategies and things like that, providing additional incentives for affordable housing developers. This bill is trying to get towards the supply side of the problem. It is done by an effort to streamline the development process post-entitlement approvals.

Ms. Angela Fuss and Mr. Aaron West are going to walk through the process details of the legislation in front of you. Ultimately, it is designed to give an additional option for local governments, when they approve a planned unit development (PUD), over how future maps get processed within their municipality or county. It is a tool that will be at the disposal of municipalities and counties, if they choose to use it, to streamline the development process. I want to say that again: The land entitlement, the public process over whether the project is worthy, whether the local government likes it, the public input into the project as a whole, will have already taken place by the time any of this takes effect. This is how the land is then further subdivided and infrastructure is laid in and the tentative maps are ultimately put together after that entire entitlement process has already transpired.

Mr. Chairman, I would like to turn it over to Angela Fuss and Aaron West to walk through the details of the bill. I would like to beg your pardon. We are closing budgets downstairs for people with developmental disabilities. That is something I care about, and I want to get back to that. I would leave it in their capable hands, if that is all right with you. [Senator Ben Kieckhefer submitted ([Exhibit C](#)) which was not referred to in his testimony.]

Chair Flores:
Please.

Aaron West, CEO, Nevada Builders Alliance:

I want to thank the Senator for working with us to help bring this legislation forward.

This session we have been hearing about the importance of workforce housing and the availability of such. As an industry, we continue to contend that we have a supply problem. There are several measures that are working their way through the session from a regulatory perspective, and we have been very engaged in those conversations and we are very supportive. But at the end of the day, we need more housing.

The purpose of Senate Bill 327 (2nd Reprint) is to provide local government an enabling tool as it relates to the development of master-planned communities. Again, this is enabling legislation. This very specifically speaks to planned unit developments, which go through a much higher level of scrutiny as they walk through the process. During the recession, home building was almost at a standstill. The thought of future development was certainly in question. Senate Bill 327 (2nd Reprint) is a mechanism, should local governments choose to adopt it, to improve a duplicative process as it relates to master-planned development. With the adoption of this language, there is potential cost savings to the homebuyer as the homes are able to enter the market sooner. There are still several necessary transparent steps for developers that will be required through this.

The reality of the situation is that jurisdictions have, for the most part, found workarounds, but every jurisdiction is a little bit different. So we are just trying to standardize this process. You might hear from local governments that we have had conversations with that, and in a lot of cases, they are actually achieving what we are trying to accomplish. But it is being done either within the PUD process or through a separate development agreement to try to find workarounds within state law. If we are trying to circumvent state law, why do we not just put something into law that actually provides a clearer, defined process for all jurisdictions?

As a matter of process, as you go through the planned unit development (PUD) process, it is a public process; it is completely transparent. Months, if not years, worth of energy and effort go into defining the project; all of the impacts to infrastructure and to the community, and setting and establishing all the amenities and everything else. Once that PUD is approved, with this legislation, the developer would then be able to go to what is called a super pad phase. Within a typical project of this scale, you would have villages. Think of a super pad as a village within a planned unit development. Within the PUD you might have seven different villages. Each one of those villages is sold off to a different builder, so you might have Toll Brothers over here and KB Homes over there. The idea is, they take that and then take it through the necessary steps to completion. The idea is that we create these super pads under a parcel map, where we are able to do more than four parcels—and that is really all it is. From the parcel map the merchant builder is able to take it and continue through another public process with a tentative map review and final map submittal, so the public is not being excluded in any part of this process. All we are trying to do is set up a standard for moving these projects forward. I am certainly a layman when it comes to this, so I am happy to have Angela Fuss with Loomis Engineering here; she certainly can get into the details of how this is applied from a planning perspective.

Angela Fuss, Group Manager, Engineering Division, Loomis and Associates:

By way of background, for the last 20 years I have been working in processing planned unit developments in jurisdictions all over Nevada as well as processing parcel maps and tentative maps and final maps. So I can tell you, for the last two decades, how the process has worked and how the process has been deficient, in some areas, in helping to get product to market sooner—which is the key issue here.

Let me walk you through what is in place now, how a master-planned community or planned unit development is processed from the time you get the zoning to the time you actually have a house built.

A planned unit development is the zoning. When you come in with a PUD, you have to put together a plan. It is the vision. It shows how many units are going to be provided; it shows where the sewer lines and the water lines are, the size of those lines, and where your roads are going; all of that is defined as part of the planned unit development. That goes through an extensive public process where everything is shown. It goes to planning commissions, city and county commissions, and neighborhood boards. All of that is vetted through a public process where ultimately, if it is approved, you go on to the next step.

Currently that next step is—let us use an example of 1,000 acres—you come in and you want to build that first phase. Your first phase wants to create five different villages or super pads. Right now if you are doing five super pads, you cannot do a parcel map; you have to go to a tentative map. The main difference, in terms of timing, between a parcel map and a tentative map is that a parcel map is basically a one-step process; a tentative map is a two-step process. In terms of the time for those processes, a parcel map generally you can get through within a couple of months. For a tentative map and then a final map, you are looking at a yearlong process, at least, to get through. At the end of the day you have the exact same product—five lots. The way that development is currently done now, you would have to go through that tentative map and the final map process. You do not actually get to build anything yet.

You would then have to go forward and sell those super pads to your homebuilders. Homebuilders could be anyone: Lennar, Toll Brothers, D.R. Horton, for example. They would come in and do a separate tentative map and final map process. Again, they would show where those sewer lines, those water lines, those roads are, and all of that has to match the original approval of the PUD. It is this truing up with what has already been approved; that is another yearlong process to get through.

By the time we are actually at a point where we are building houses, we are probably three to four years into this process. The purpose of this bill is to say, Can we give the jurisdictions a tool to help speed this process up to get housing to market faster, not in a way that actually takes away any public process; not in a way that hides anything or changes anything in terms of the infrastructure, the utilities, and the services. All of that is still there; all of that still takes place. This does not change the way your jurisdiction processes a parcel map, nor does it change the way your jurisdiction processes a tentative or final map. What it does is it gives you the tool to say, instead of having to go through that full-on yearlong tentative map and final map process twice, you would go through a parcel map process—the one-step process—and then your homebuilder would go through a tentative map and final map process. Full public hearing process; nothing has been changed here.

I do want to point out, too, that once you come forward with your five lots, your five super pads, can you put a house on any of those through this language? You cannot put a single house on any of those pads that you have just created. So any concerns about somebody trying to circumvent the process or come in and do some kind of a mass grading—none of that changes. We have added language specifically that says you cannot try to circumvent the process—you cannot put a single residence on those super pads—you still have to go through the full tentative map and final map process, which is done by the homebuilder.

It is a complicated process; I have tried to break it down step by step. At the end of the day, this saves you 9 to 12 months in timing. Again, timing is the ability to get supply to market, which is the challenge we are dealing with now. That is the challenge: How do we get more supply to market faster?

I am available if you have any questions on any of those finer points.

Chair Flores:

Thank you both for that presentation. I understand why Senator Kieckhefer had to run. We are in crazy times right now, so it is more than understandable.

Assemblyman Leavitt:

I am all for efficiency and trying to work the process in an effective way. In my normal job, there was a point where I was reviewing development maps to determine if a bus stop or a turnout was needed. I liked the fact that we had the opportunity to review the map to see if there was a public good that was needed out of that development prior to it going for final approval. Does this affect that review in any way?

Angela Fuss:

That process still takes place at the same time when your homebuilder comes in. He first provides his tentative map that goes through the public hearing process, which gets approved. Then it goes to a final map. That process is actually showing individual house lots. That is when you are going to show where the roads are, where the mailboxes go, where the bus pick-up and drop-off locations are—all that is still done at the same time frame, at the homebuilder's tentative and final map process.

Assemblyman Leavitt:

So neither my process nor yours is hindered.

Angela Fuss:

It has no change in that process.

Chair Flores:

Members have no additional questions. I am going to ask that you please sit back. I would like to invite forward those wishing to speak in support of Senate Bill 327 (2nd Reprint).

Melinda Smith, representing Builders Association of Northern Nevada:

We are in support of this bill. We appreciate the efforts to make the process more efficient.

Chair Flores:

Is there anybody else wishing to speak in support? Is there anyone wishing to speak in opposition to Senate Bill 327 (2nd Reprint)?

Patrick Donnelly, Nevada State Director, Center for Biological Diversity:

Development has been a major issue in northern Nevada in recent years. Certain developments have caused extreme controversy as the nature of life in northern Nevada has changed. Sprawl is increasing, traffic is increasing, and growth is not necessarily happening in a smart fashion but rather in a sprawling fashion.

We appreciate the amendment that appears to cut out the StoneGate Reno development from this bill. I think that was a major source of concern and that appears to be resolved. We appreciate that from the bill sponsor. However, we feel that the process right now is

working sufficiently. We heard in the presentation that the idea for the bill was framed around "get the product to market," but I think cities and communities have a right to decide whether it is the appropriate product to bring to market. Those steps that we have in place right now provide numerous avenues for citizens to participate in that process. We feel that process should continue and that this bill is an unnecessary way to grease the skids for development.

Chair Flores:

We have a question for you.

Assemblyman Carrillo:

Obviously, these are some concerns that you have. Do you think that the system currently is working fine to get the product to the people?

Patrick Donnelly:

In general there is a process in place by which the community has ample opportunity to participate. There are broader discussions about what development looks like in Reno as this area is growing at such a tremendously fast pace. There is a public lands bill that would open up huge amounts of land for development. This will really change the quality of life for northern Nevadans and the environment, which is my organization's concern. Continuing to have those opportunities for community involvement will allow for the will of the people of northern Nevada to remain central.

Assemblyman Carrillo:

What organization are you with?

Patrick Donnelly:

I am with the Center for Biological Diversity. We are a nationwide environmental nonprofit.

Assemblyman Ellison:

Here is the problem I have: right now you have so much red tape. Sometimes it bottles development down so badly. This helps streamline it, not only for the cities and the contractors, but for the people altogether. I have been on both sides of this. To me this is a streamlined way that helps the process get through faster and cleaner, without dragging it out. Do you not think so?

Patrick Donnelly:

In general, my organization's view would be that faster is not better.

Assemblyman Ellison:

I disagree. Thank you.

Chair Flores:

Members, any additional questions? Thank you, sir. Is there anybody else wishing to speak in opposition?

Maxine Hauser Nietz, Private Citizen, Carson City, Nevada:

I am not here on behalf of any organization; I am a voter and concerned citizen. I have a degree in civil engineering and I have served on the Carson City Planning Commission, and I am not in support of this bill.

The public process is the heart and soul of the PUD experience. I do not want to see any parts of it taken away. In the time that I was on the Planning Commission, I served during several PUD approval processes and there were no complaints from the developers about the speed of the process or any other issues like that. I heard some statements to the effect of, This will not affect the public process. That is probably because the original bill did affect the public process significantly. I am glad to hear that it is not going to affect the public process.

Typically, a PUD is not affordable housing. They are upscale homes that include other amenities, community centers, pools, and things of that sort; they are not affordable housing. Market forces are what brings housing to the market; not change to the process. If there are people who are willing to buy affordable housing, then affordable housing will be built.

I have talked with the Carson City Planning Department, although I do not represent them. They knew nothing of this bill, even though it apparently originated in Senate District No. 16, which includes Carson City. Each county has its own PUD ordinance that suits the local residents of that county, and therefore I see no need for this bill to go through. I agree that it was originally a giveaway to the StoneGate Reno developer and that that apparently caused enough of an upset that the language was pulled out in the amendment process so now it is more generic. But each county has its own PUD ordinance and its own definition of a residential dwelling unit. I see no need for that autonomy to be taken away by the state. The process of subdivided and subdivided and further subdivided can be done right now. There is a PUD in Carson City that is being sold off in parcels, individually, to various developers to build what are called being called "villages"—I call them "developments." That is already happening. There is totally no need for this bill. I stand with my fellow residents of Carson City and ask that you not pass it. [Ms. Nietz submitted ([Exhibit D](#)) which was not referred to in her testimony.]

Chair Flores:

Seeing no questions from members, if there is anybody else wishing to speak in opposition, please come down and fill up the three seats.

Michael Lawson, Member, Washoe County Planning Commission:

I currently serve on the Washoe County Planning Commission. I am here to speak in opposition to S.B. 327 (R2). I have submitted prepared remarks to the Nevada Electronic Legislative Information System according to protocol ([Exhibit E](#)), but I am going to deviate from them to address some of the things I have heard here this morning.

Expediting the process without proper review of the plans is not an efficient solution. There are in excess of 40,000 homes currently approved for construction in Washoe County under the tentative map approval. They have yet to be built. It is not as if we are wanting for a process that provides opportunity for development. I want to recognize that the rhetoric that we are hearing about a need to expedite the process rings hollow to me.

The current process under NRS Chapter 278A is for development to be completely designed so that individual residential lots and all details are defined. This requirement ensures the design can be reviewed for a tentative map approval. Engineering reports need to be submitted to show that there is a traffic capacity, water availability, sewer treatment capacity, and flood control, before the development can be approved by the planning commission at the tentative map step and the only step that gets public review and input. Under S.B. 327 (R2), the primary developer can submit a plan for a PUD and a tentative map, including super pads, which have no design details. The primary developer could sell the super pads to commercial builders who will complete the detail design for these large tracts. This creates several issues, including, but not limited to, the following:

- Under S.B. 327 (R2) the development is never reviewed in its entirety. Neither the planning commission nor the public gets to consider the finished product.
- If the primary builder grades the entire project but the super pads do not sell, we have a mammoth scar on the landscape for the indefinite future with erosion and other hazards.
- S.B. 327 (R2) is written so that the primary developer may include estimates of water, traffic, sewer, emergency service, and other impacts that the development will produce.
- S.B. 327 (R2) would not require the primary developer to submit his plan incorporating super pads to the planning commission for review. The city or county could designate a manager or other professional to review the plan with no public review.
- S.B. 327 (R2) would not require the secondary developers to submit any engineering reports regarding the tract plans, so no one is responsible for the engineering analysis of the finished design.
- S.B. 327 (R2) requires cities and counties to designate a single person to review and approve the secondary developer's tract plans. These plans would not go before the planning commission. The city council or county commission would never vote on these plans; there would be no public review.
- S.B. 327 (R2) would only allow the city or county 30 days to approve, conditionally approve, or disapprove a tract. This is not enough time to seek public input or get questions answered.

- S.B. 327 (R2) would only allow regional agencies 15 days to respond to a secondary developer's tract plan.

In conclusion, as of the morning of May 7, 2019, the NELIS website showed 96 comments in opposition to S.B. 327 (R2) and zero in favor. It is apparent that this bill would serve the few at the cost of the many. Please do not pass this bill into law.

Chair Flores:

Thank you for your testimony. Members, are there any questions? Seeing none, is there anyone wishing to speak in the neutral position? Seeing no one, could our sponsors please come back up. We have questions for you from the Committee, but if you would like to address what you have heard first, maybe the members' questions will be answered.

Aaron West:

Unfortunately, we are certainly confused by some of the comments that were made. I am afraid that the last person may have been referring to the old language that was in the bill as it was originally introduced. We do apologize for that. Interestingly, as we went through the process to change the language, we ended up sitting down with city government. It was pointed out to us that we were making it far too complicated. The assistant city manager for the City of Reno sat down with us and said, I get where you are trying to go and you can do it a lot easier. Why do you not just change this one number so we can do a parcel map of more than four lots, so we can create the super pads.

To be clear, we are not touching anything else within NRS Chapter 278A as it relates to the PUD standards or the PUD process. The concerns that you heard up here about us trying to usurp any of those reviews and approvals are not addressed in this bill. This bill just allows us to do a parcel map of more than four lots. Currently, in state law, you cannot do a parcel map of more than four lots. In this case, in this very specific instance, it allows us to do that one parcel map process.

The current PUD process, with all of the scrutiny and the level of detail that is required, is all still in statute.

I can take questions.

Assemblyman Assefa:

In the opening of this presentation, I heard you say this is a bill that would alleviate the affordable housing crisis in our state. Yet I am looking at the bill and I see no word that would address that issue. I am trying to understand exactly where this bill is going and if that is the intent of the bill.

Aaron West:

To be clear, I specifically tried to limit my remarks to "workforce housing," because there seems to be a lot of confusion between what is "affordable." Are we really talking about subsidized federal Section 8 Housing, or are we talking about obtainable housing for working

class folks? You heard some comments during testimony that the PUD process does not do anything to address affordable housing. Our goal with this, and I would contend that the PUDs that I have seen recently that are going through the process are really striving to achieve a more obtainable product for working class folks through density and through a variation of product. Does this bill address anything specifically in terms of affordability? It allows a standardized process for us to bring product to market. By bringing product to market, we can hopefully get ahead of the demand curve.

The time savings here relates directly to cost savings. We did an analysis with one builder on this. There is no reduction in process from a public input perspective, but just by taking this one step and simplifying it, in their project alone they calculated a \$5,000-per-house savings in time to be able to deliver this.

Assemblyman Assefa:

Thank you, but product delivery for whom? We have an affordable housing crisis in this state, as you know. What are the prices of the homes that we are talking about?

Aaron West:

That varies project to project. I am aware of a project that just went through the process in Reno, where the median sales price is over \$400,000; and the developers were targeting for-sale product under \$300,000, which is something that is obtainable with the jobs that are being created right now. That is why I want to draw the distinction between this and the other bills that are working through this session that help with creating tax credits to incentivize affordable housing development. You had thousands of jobs being created by the companies that are coming into Nevada. Clark County had 48,000 people move in last year. This bill is really meant at trying to provide a product for those folks who are coming in to fill those jobs that are being created.

Assemblyman Assefa:

I am perplexed by the disparity between the opening of your presentation, your framing the bill as something that would address the affordable housing crisis, yet I see no word in the bill that would address that issue. Thank you, sir.

Angela Fuss:

Let us go back to what we see in the news every single day: We have a housing crisis that is a product of supply and demand. We know that Nevada is booming with jobs and is in a serious lack of housing—whether a \$1 million home, a \$400,000 home, or an apartment. The crisis is a product of needing more supply to get to market faster. In the sense that, are we creating a subsidized housing product? That is not what this bill is. What this bill does is it creates the supply. Again, the end challenge that we are seeing is we need more supply. How do we get more supply? How do we reduce housing prices? Basic economics: more supply reduces the cost. This bill is one mechanism to streamline that process for the local jurisdictions. As another note, almost all PUDs I have seen in the last couple of years have had an affordable housing component. That is something that the local jurisdictions are

working towards, and these PUD developers are putting that in as part of their development. This bill does nothing to impact that; it simply provides a mechanism for the local jurisdictions to help with the supply issue.

Assemblyman Hafen:

Thank you for presenting today. For full disclosure, I am in this industry. I am in land development. I wanted to add to the conversation and respectfully disagree with some of the opposition that was presented.

In my community there is an additional two to four years before you can even get to the process that you are talking about because we have to go to the Public Utilities Commission of Nevada; get annexed into utility companies. We have to go through the Division of Environmental Protection and Division of Water Resources in the State Department of Conservation and Natural Resources, and then there is now a requirement in the last couple of years that we have to actually get a development agreement before we can even get to the tentative map and the final map process. We are talking two to four years just to get those entitlements before we can get to the tentative maps and the final maps, which is another two years. That is even before you can put pipe in the ground and such things.

I want to bring that to light—the years of public forums and input that are being placed out there, at least in my community. I cannot speak for Reno and Las Vegas; I do not get involved in that.

I want to clarify, and I hope you can answer this question: this would only be enabling language such that counties, if those counties or cities chose to do this, they could, but they are not mandated to do this. It would be at the discretion of the local municipalities. Is that correct?

Aaron West:

You are absolutely right. We view this as just being another tool in the toolbox. We are trying to provide as many tools for local government. There is no mandate in this at all. It is still subject to whether or not they want to use that tool.

Assemblyman Leavitt:

Here is a question to try to validate my own thoughts and my colleague's thoughts on obtainable or affordable housing. I come from a city that has a growth ordinance, so either obtainable or affordable is often difficult to come by. When you have a growth ordinance that is strict, the housing market is inflated. I live in a suburb; my home is worth well under \$300,000. If a development was built where the houses cost a little bit more but they are a little nicer than my house and I moved out, then my house now becomes affordable or obtainable housing. When I think of affordable housing in the realm that you are discussing, it is not necessarily a home in a low-income development. We can get there with you as well under this provision, but when I think of affordable housing in my realm, it is a starter home

for somebody who is just buying his or her first home and trying to get in there with an entry-level job. I want to get your thoughts on that. Based on your research, am I totally out in left field with that thought, or am I in the right place?

Aaron West:

We believe in that concept completely. The idea is that by providing more supply, even if you are providing high-end supply, you are actually still creating opportunity within your communities. To your point—as you build that next product, someone is ready to move up and somebody is ready to get a new job or a new position and they are making more money and they want to move into that bigger home, that newer home. And that older home then provides that backfill of inventory for someone who is just getting started. You are spot-on.

Assemblyman Carrillo:

I see representatives of Clark County, Nevada Association of Counties, and Washoe County in the audience. Maybe they should come up to the table and speak to whether they agree with this bill. They did not even come up in neutral, or opposition, or anything. Maybe they can speak about this being another tool in the toolbox. Any takers?

John Fudenberg, Coroner, Government Affairs, Office of the Coroner/Medical Examiner, Clark County:

I do not know anything about this bill, unfortunately. I have not been involved in it, so I cannot speak to it. I can certainly get any questions that you may have answered by our experts in Clark County, but I am not familiar enough with this particular issue to speak on it.

Chair Flores:

Assemblyman Carrillo's request would be that you go back for the county's input specifically as to this proposed language and whether, in fact, they do see it as another tool; that will help us.

John Fudenberg:

Absolutely. I will do that.

Chair Flores:

To our bill sponsors, I highly recommend that you pressure the counties to give us input. Our Committee wants to get an answer from them before we do anything with this bill.

Jamie Rodriguez, Government Affairs Manager, Office of the County Manager, Washoe County:

I will get more detail so that I can absolutely respond to your request. The initial response that I got from our representatives in the county was that the bill was permissive and therefore we were neutral. Whether it is something that we would change for and move our process in that direction, we are not sure, but ultimately we are neutral because the bill is permissive as to whether or not we want to make those changes to our planning process.

Chair Flores:

Members, any additional questions? Seeing none, thank you both for your presentation. We are going to go ahead and close the hearing on Senate Bill 327 (2nd Reprint). Is anybody here for public comment? Seeing no one, this meeting is adjourned [at 9:33 a.m.].

RESPECTFULLY SUBMITTED:

Geigy Stringer
Committee Secretary

APPROVED BY:

Assemblyman Edgar Flores, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a proposed amendment to Senate Bill 327 (2nd Reprint), submitted by Senator Ben Kieckhefer, Senate District No. 16.

[Exhibit D](#) is copy of an email dated April 24, 2019 to the Assembly Committee on Government Affairs-Exhibits, from Maxine Hauser Nietz, in opposition to Senate Bill 327 (2nd Reprint).

[Exhibit E](#) is written testimony submitted by Michael Lawson, Member, Washoe County Planning Commission, in opposition to Senate Bill 327 (2nd Reprint).

[Exhibit F](#) is a letter dated May 8, 2019, to the Assembly Committee on Government Affairs, from Brian Beffort, Director, Toiyabe Chapter, Sierra Club, in opposition to Senate Bill 327 (2nd Reprint).