

GROWTH MANAGEMENT ELEMENT

DRAFT

MAY 2017



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PURPOSE

The purpose of the Growth Management Element is to review current strategies to manage growth in Douglas County, and to identify growth management issues and opportunities. The Growth Management Element includes a review of the County's Building Permit Allocation and Growth Management Ordinance and concludes with Goals, Policies, and Actions to improve the effectiveness of growth management strategies in Douglas County during the next five to ten years.

The Growth Management Element does not include a discussion of the growth management regulations in the Tahoe Basin that are overseen by the Tahoe Regional Planning Agency (TRPA). Information on growth management in the Tahoe Basin portion of Douglas County is presented in the South Shore and Tahoe Douglas Area Plans.

GROWTH MANAGEMENT IN DOUGLAS COUNTY

Growth management generally involves balancing protection of the natural environment with new urban and suburban development using different tools such as annual building permit caps and/or urban growth boundaries. Growth management seeks to balance the need for investment and reinvestment against the need for protection of natural resources and open space. There is always concern that growth management strategies may be too restrictive and cause increases in housing prices and/or raw land prices.

The Douglas County Master Plan and the Douglas County Development Code provide the guidance and regulations regarding the type and location of different types of development. To help ensure that new development does not strain resources, the County has adopted three main growth management tools: 1) Building Permit and Growth Management Allocation Ordinance; 2) Transfer Development Rights Program; and 3) Urban Service Areas. More information on each of these strategies is provided below.

BUILDING PERMIT ALLOCATION AND GROWTH MANAGEMENT ORDINANCE

The County's Building Permit Allocation and Growth Management Ordinance was adopted in 2007 (Chapter 20.560). The purpose of the Growth Management Ordinance is to manage population growth in the County "to preserve and enhance the quality of life for the communities and inhabitants of Douglas County." The ordinance established a 2 percent growth rate (compounded annually) for the County over a 50 year period. The total number of annual residential allocations was set at 317 permits in 2007, for example, and gradually increases up to 837 allocations by the year 2056. Of the 26,812 allocations available between 2007 and 2056, 4,773 are available for vested projects and 22,039 allocations are available for project and individual allocations.

All new residential buildings, including accessory dwelling units, require a building permit allocation from the County. The allocation fee is \$361. The ordinance allows no more than 2,200 exempt allocations over the 50 year period. Exemptions are allowed for the following residential units:

- 1) The residential unit is part of a "vested" project or a development agreement with the County;
- 2) The residential unit is for a parcel created under the Ranch Heritage or Agriculture-2 acre parcels;
- 3) The residential unit is for an accessory dwelling unit on an A-19 parcel; or
- 4) The residential unit is deed restricted affordable housing.

The Board of Commissioners is required to review the Ordinance every five years and such review may occur during a Master Plan review. The review must determine if administrative procedures should be

changed, but prohibits changing the number of allocations. The first review of the Growth Management Ordinance occurred in October 2011. No changes were made to the Ordinance during the first review.

The Growth Management Ordinance was adopted on the basis of a two percent annual population growth rate for the Douglas County population outside of TRPA jurisdiction. The non-Tahoe Basin population was projected to reach 47,389 by 2016 in the original ordinance using a two percent compound growth rate. As it turns out, the annual growth rate for the entire County averaged 1.39 per cent between 2000 and 2010 and has averaged 0.3 percent per year since 2010. Building permit activity in the County decreased significantly during the Great Recession. As a result, many vested as well as individual/project allocations were not used. Of the 4,773 vested allocations, for example, 1,112 allocations have expired (due to expiration of final map deadlines or development agreements). As a result, there are 3,661 vested allocations remaining. The expired allocations are not re-used or available for the individual or project allocation pools. For non-vested allocations, the County issues residential allocations as either individual or project allocations (5 or more units).

Table 1 displays the status of vested, individual, and project allocations from July 2007 to June 2016. Vested allocations are distributed and counted against the total annual allocations until the year 2031. Of the 3,091 total allocations available during this time period, 778 allocations were issued, including 431 vested allocations and 347 non-vested allocations (individual and project). Broken down further, a total of 1,148 individual allocations were available for individual permits, but only 297 allocations were issued, leaving 850 excess allocations. Out of 493 project allocations available between 2007 and 2016, only 50 allocations were issued, leaving 443 project allocations unused.

Table 1
Available Residential Allocations, by Category

Year	(a) Total Allocations Available	(b) Less Vested Project Allocations*	(c) Remaining Allocation (a-b)	(d) Remaining Allocations Available for Individuals** (c*70%)	(e) Remaining Allocations Available for Projects (c*30%)
2007-2008	317	149	168	118	50
2008-2009	323	151	172	120	52
2009-2010	330	155	175	123	53
2010-2011	336	158	178	125	53
2011-2012	343	161	182	127	55
2012-2013	350	164	186	130	56
2013-2014	357	168	189	132	57
2014-2015	364	171	193	135	58
2015-2016	371	174	197	138	59
TOTAL	3,091	1,451	1,640	1,148	493
<i>Total Issued</i>	<i>778</i>	<i>431</i>	<i>347</i>	<i>297</i>	<i>50</i>
<i>Excess</i>	<i>N/A</i>	<i>N/A</i>	<i>1,293</i>	<i>850</i>	<i>443</i>

Source: Douglas County Community Development, January 2017

*4,773 Vested Allocations were available, but 1,112 Vested Allocations have expired and were not put back into the allocation pool.

** If Individual Allocations are not used within one year, they expire and are put back into the pool.

TRANSFER DEVELOPMENT RIGHTS PROGRAM

The County's Transfer Development Rights (TDR) Program is the second component of the County's growth management efforts. Adopted in 1996, the TDR program encourages property owners who own parcels in sending areas (A-19 and FR-19 zoning districts) to transfer and sell development rights to designated receiving areas in the County. The TDR program was active between 2002 and 2009 but no new TDRs have been certified since 2009.

Table 2 shows the amount of TDRs certified and the amount of acreage protected through conservation easements under the County's TDR program. Additional information on TDR conservation easements is provided in the Conservation Element.

Table 2
Status of Transfer Development Rights Program

Certified TDRs	TDRs Transferred	TDRs Remaining	Conservation Easement Acreage
3,921	3,715	206	3,964.40

RECEIVING AREAS

There are 6,214.2 acres designated with a future land use of Receiving Area in the Douglas County Master Plan. The receiving area future land use designation means that these areas are set up to receive TDR's that are transferred off County sending areas (A-19 and FR-19 zoning districts). Receiving areas are land use designations and do not affect the existing zoning on the affected parcels.

Most receiving areas have approved developments, such as Clear Creek in the Agriculture Community Plan and Virginia Ranch in the Minden/Gardnerville Community Plan. Some receiving areas lack any approved development plans and have remained undeveloped for decades.

The total number of units currently approved for development in the Receiving Areas is 3,926. The number of units constructed to date is 894, leaving a balance of 3,032 units. The potential population growth associated with this build out of approved developments within the receiving areas is 7,216 persons (3,032 units x 2.38 PPH). Table 3 provides additional information on each receiving area within the County.

Table 3
Receiving Area Acreage by Community Plan and Development Status

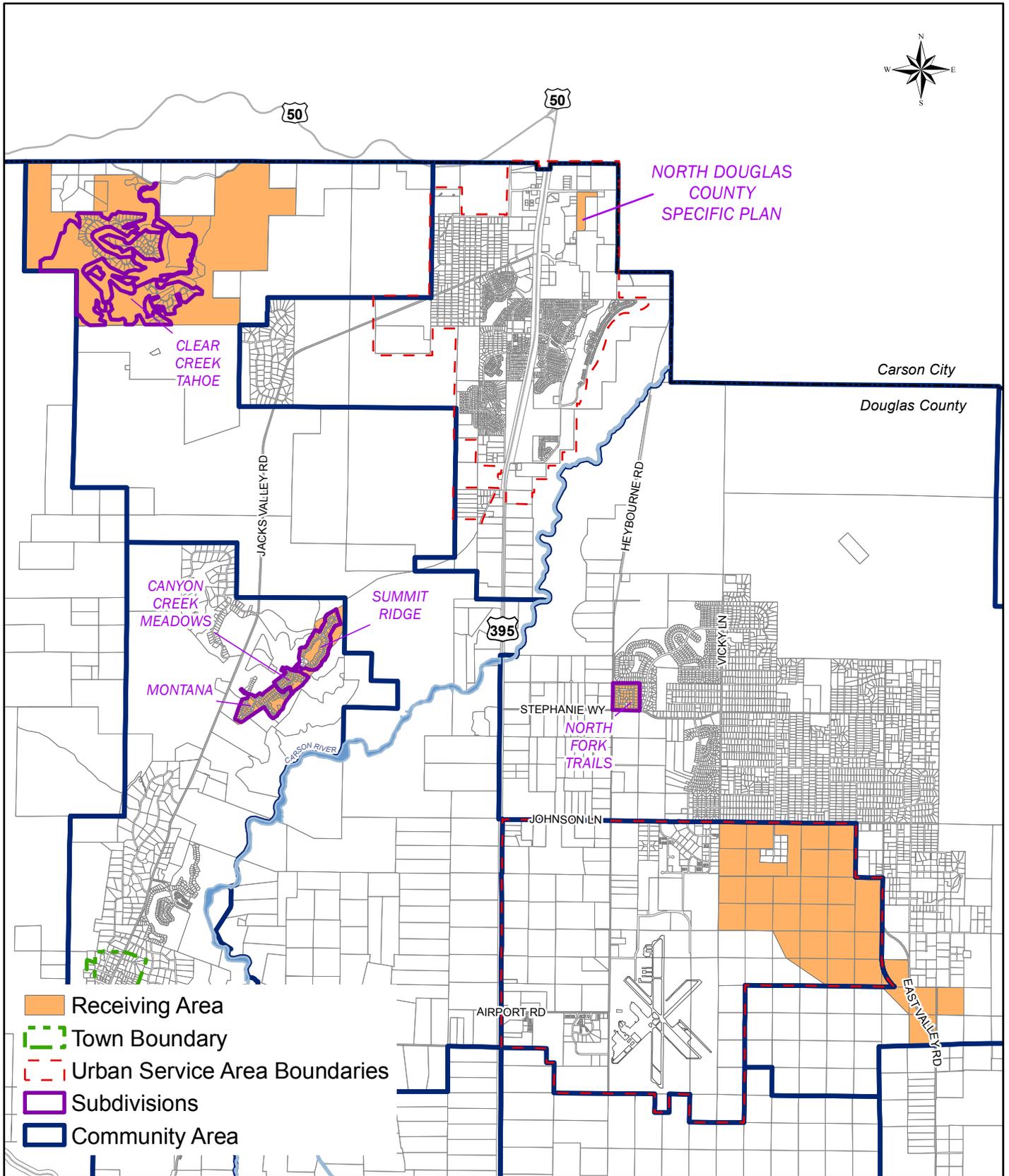
Community Plan	Receiving Area Acreage	Approved Development	Total Units	Units Constructed To Date	Units to be Constructed
Agriculture	1,290.07	Clear Creek	384	0.0	384
Airport	1,129.72	None	0	0	0
Johnson Lane	32.79	North Fork Trail	41	41	0
	158.38	None	0	0	0
Gardnerville Ranchos	1,010.65	Cedar Creek	67	32	35
		Rocky Terrace	90	55	35
		Kit Carson	81	13	68
		Rain Shadow/Aloha Ranch	17	9	12
		Maryanne LLC	27	0	27
Genoa	117.56	James Canyon, Montana, Summit Ridge	395	138	257
Indian Hills	20.93	None	0	0	0
Minden/Gardnerville	805.82	Arbor Gardens	160	160	0
		La Costa	121	47	74
		Nevada Northwest	303		303
		Stodick Estates	121	121	0
		Crestmore Village Apts	80	80	0
		Parkway Vista	30	30	*
		Monterra	118	98	20
		Ranch at Gardnerville	633	70	563
		Virginia Ranch	1020		1,020
Ruhenstroth	130.00	Farmstead at Corley Ranch-	238	0	238
TRE/Holbrook Junction	1,510.20	None	0	0	0
Total	6,214.21		3,926	894	3,032

Source: Douglas County GIS, Douglas County Community Development

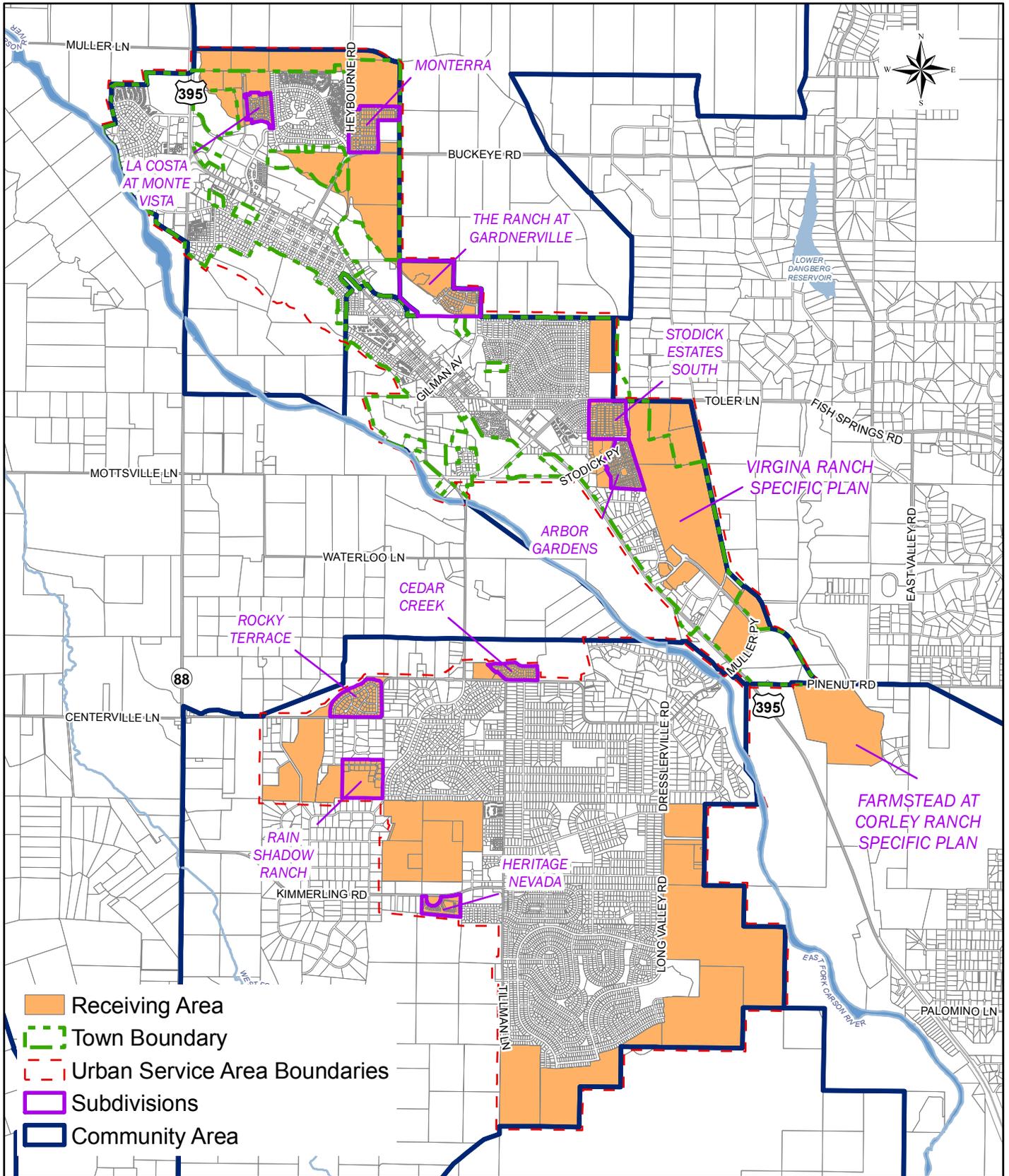
*There are no approved plans for Phase II of Parkway Vista at the current time.

Maps 1-3 display the location of receiving areas and approved receiving area developments in Douglas County. Urban service areas are also depicted on the maps. Map 1 includes the receiving areas in the Airport Community Plan, the Agricultural North Community Plan, the Genoa Community Plan, the Indian Hills/Jacks Valley Community Plan, and the Johnson Lane Community Plan. Map 2 displays the receiving areas located in the Minden/Gardnerville Community Plan, the Gardnerville Ranchos Community Plan, and the Ruhenstroth Community Plan. Map 3 displays the receiving area located in the Topaz Ranch Estates/Holbrook Junction Community Plan.

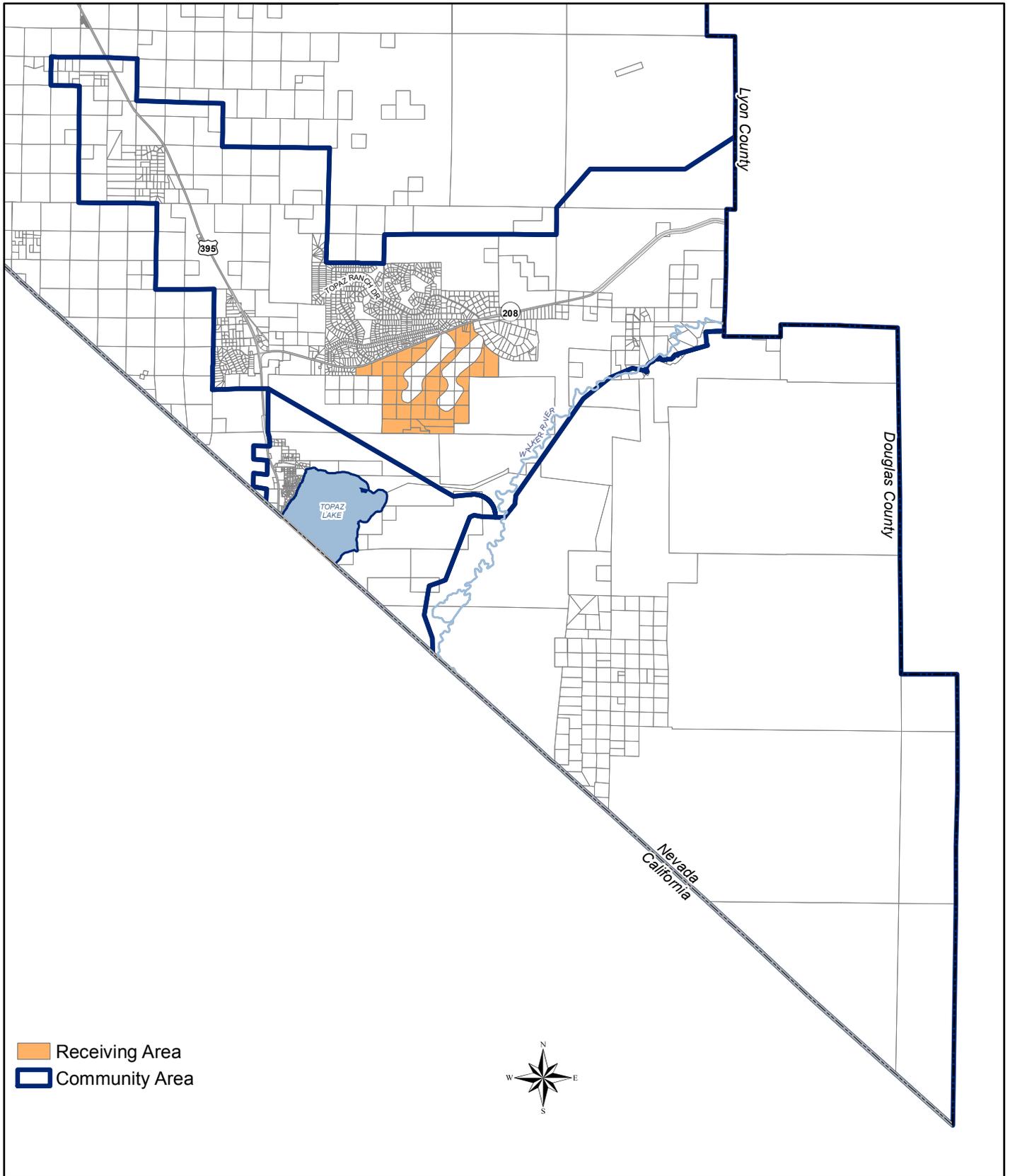
MAP 1 RECEIVING AREAS IN NORTH COUNTY



MAP 2 RECEIVING AREAS IN GARDNERVILLE, GARDNERVILLE RANCHOS, MINDEN, AND RUHENSTROTH



MAP 3
RECEIVING AREAS IN TOPAZ RANCH ESTATES/HOLBROOK JUNCTION



URBAN SERVICE AREAS

Urban services areas were established in 1996 and are located in the Carson Valley portion of Douglas County. The purpose of urban service areas is to force high density residential development, as well as commercial and industrial development, to be located within these areas due to availability of infrastructure and established development patterns. Many of the Urban Service Areas have boundaries that are nearly similar to existing General Improvement Districts (GIDs) and Town boundaries. The urban service areas help to concentrate urban scale development in areas with public services and utilities. Urban service areas are intended to serve residential development at densities of one unit per 0.5 acre and greater and with urban services such as paved roads, and public water and wastewater services.

Development outside of urban service areas, on the other hand, is planned for rural residential development, which equates to residential densities of one dwelling unit per 0.5 acre and lower. The lowest density residential zoning district is the RA-10 district (one dwelling unit per 10 acres).

RESIDENTIAL BUILD OUT ANALYSIS

A residential development build out analysis was completed as part of the 2011 Master Plan Population and Housing Technical Report (<http://www.douglascountynv.gov/DocumentCenter/View/1210>). The build out analysis looked at the vacant parcels with residential zoning throughout the County and determined a potential population growth of 19,806. The 2011 analysis looked at the potential dwelling units for undeveloped residentially zoned parcels that were zoned RA-10 or higher. The 2011 analysis did not incorporate any parcels that were zoned A-19, FR-19 or FR-40. Receiving areas were only included in the analysis if the base zoning was RA-10 or higher. Also, parcels with multi-family zoning were calculated using a density of 8 dwelling units per acre instead of the maximum allowable density of 16 dwelling units per acre.

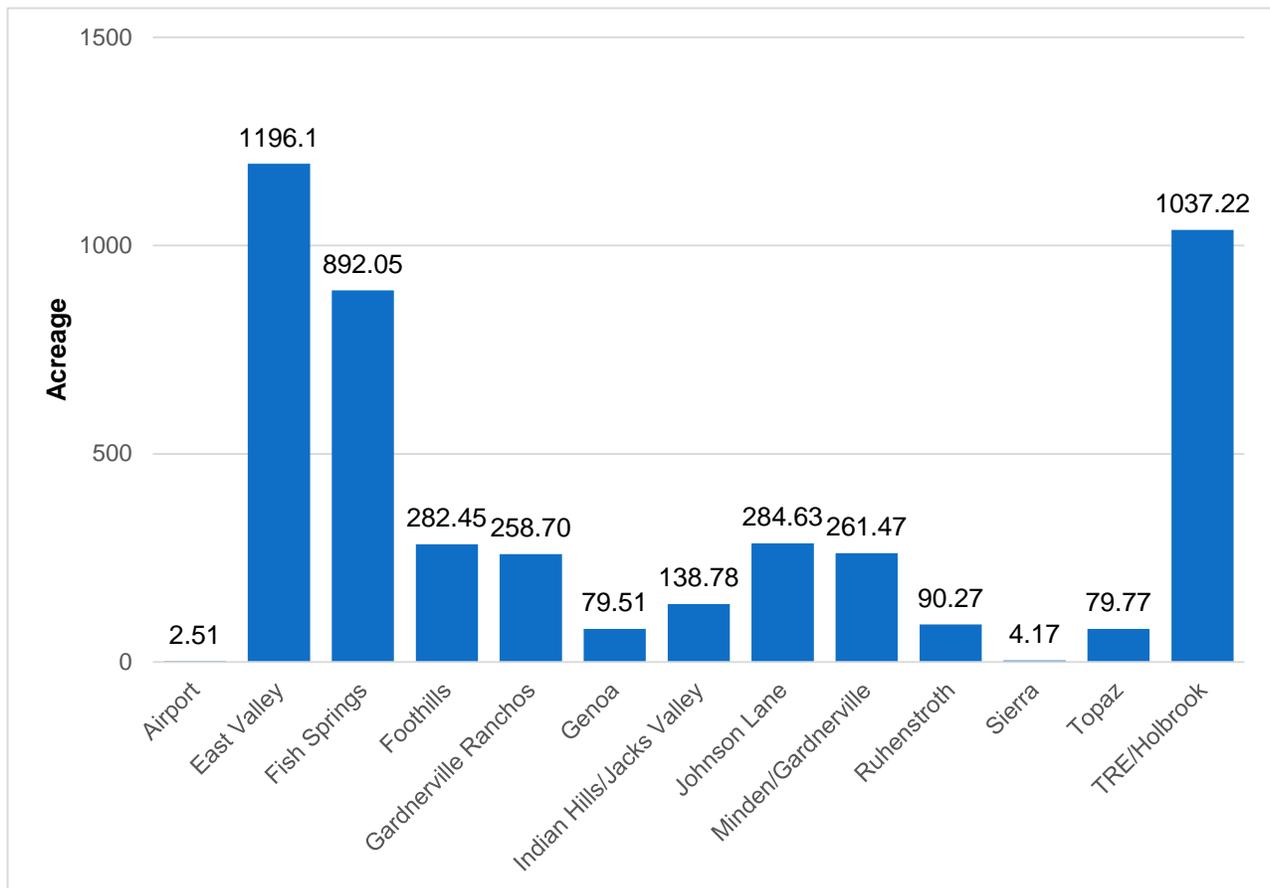
Table 4 provides an updated analysis of potential residential growth outside of the Tahoe Basin (Information on residential growth in the Tahoe Basin is available in the South Shore and Tahoe Douglas Area Plans). According to this review of undeveloped residential parcels, there are 4,605.97 acres of vacant residential parcels which could support 4,029 dwelling units based on allowable density for each zoning district. Using the same 2010 Census PPH figure of 2.38, it is estimated that the existing undeveloped residential parcels could support a population of 9,589. It should be noted that the residential build out analysis does not take into account any Ranch Heritage (Chapter 20.714.030) or Agricultural 2-5 acre Parcels (Chapter 20.714.040) that may be created during the next few years. Figure 1 displays the amount of vacant residential acreage within each Community Plan.

**Table 4
Undeveloped Residential Acreage Outside Receiving Areas,
by Residential Zoning District***

Residential Zoning Districts	Total Acreage	Number of Potential Dwelling Units	Potential Population Growth (DU x 2.38PPH)
RA-10 (1 dwelling unit per acre)	85.75	8.58	20.41
RA-5 (1 dwelling unit per acre)	3,016.71	603.34	1435.95
SFR-2 (1 dwelling unit per 2 acres)	564.39	282.20	671.62
SFR-1 (1 dwelling unit per 1 acre)	510.13	510.13	1214.11
SFR-1/2 (1 dwelling unit per 0.5 acre)	72.25	144.50	343.91
SFR 12,000 (3.63 dwelling units per acre)	23.21	84.25	200.52
SFR 8,000 (5.45 dwelling units per acre)	278.58	1516.87	3610.15
MFR (16 dwelling units per acre)	42.97	687.52	1636.30
MUC (16 dwelling units per acre)	11.98	191.68	456.20
TOTAL	4,605.97	4,029.07	9,589.17

Source: Douglas County GIS, May 2016, updated through December 2016

**Figure 1
Undeveloped Residential Acreage, by Community Plan***



ESTIMATED POTENTIAL GROWTH FOR DOUGLAS COUNTY

The potential growth in the County is based on the approved developments in receiving areas and the vacant residential parcels located outside of receiving areas. The analysis shows the following:

- A. Receiving Areas
 - a. Dwelling Build Out for Receiving Areas (Based on Approved Developments): 3,032 units
 - b. Population Build Out for Receiving Areas: 3,032 units x 2.38 = 7,216 persons
- B. Undeveloped Residential Parcels Outside of Receiving Areas
 - a. Dwelling Unit Build Out for Undeveloped Residential Parcels: 4,029 units
 - b. Population Build Out for Undeveloped Residential Parcels: 4,029 units x 2.38 = 9,589 persons
- C. Total Build Out
 - a. 7,061 Dwelling Units (3,032 dwelling units in Receiving Areas and 4,029 dwelling units outside of receiving areas)
 - b. 16,805 Persons (7,216 persons in receiving areas and 9,589 persons in undeveloped residential areas outside of receiving areas)

Most of the approved developments located in Receiving Areas are vested projects and will not be constrained by the County's Growth Management Ordinance. Development of vacant residential parcels outside of receiving areas many not happen for another five or ten years. A significant amount of vacant residential land is located outside of urban service areas and will remain low density and rural in character.

GROWTH MANAGEMENT ISSUES AND OPPORTUNITIES

2016 MASTER PLAN SURVEY

The [2016 Master Plan Survey](#) resulted in many comments about growth management. In relation to the County's Growth Management Ordinance, 32.9 percent of the survey respondents stated that the ordinance was effective and should not be changed while 38.4 percent stated the ordinance was not effective and needed to be strengthened. Fewer people expressed opposition to the ordinance with 28.7 percent responding that the ordinance was not effective in managing population growth and should be repealed.

BUILDING PERMIT ALLOCATION AND GROWTH MANAGEMENT ORDINANCE

The growth management ordinance has been in existence for almost eight years now but has not appeared to have any effect on the amount or the location of growth within the County. The downturn in the economy created less demand for building permits, resulting in almost 1,300 excess allocations. The question is whether the current ordinance should be amended to include more criteria regarding the location of allocations and/or else relaxed to allow more exemptions. Due to the high number of excess individual and project allocations, it does not appear that the ordinance will limit new residential development in Douglas County in the near future. The growth management ordinance was adopted based on a population growth rate of 2 percent compounded annually. The County's average annual growth rate between 2000 and 2010 was 1.39 percent. The Nevada State Demographer is projecting an annual population growth rate of 0.5 percent for 2016 and 0.3 percent for 2026 (Nevada County Population Projections, October 1, 2016).

The Board of Commissioners has approved exemptions for affordable housing and agricultural housing. To encourage more conservation of fragile lands, the Board of Commissioners could consider exempting TDRs from the growth management ordinance. Another possible exemption could cover accessory dwelling units (ADUs). Many of the individual allocations issued over the last few years are for ADUs. Some ADUs provide affordable housing for relatives or tenants of the property owner.

TDR PROGRAM

The County's TDR program has successfully preserved almost 4,000 acres of agricultural lands in the Carson Valley portion of Douglas County. Since there have been no new TDRs certified since 2009, it may be time to re-examine the effectiveness of the entire program. Currently, the TDR program works by transferring development rights to designated receiving areas. Property owners do not need TDRs outside of the receiving areas for rezoning proposals.

The County may want to consider whether all or some re-zoning requests within the urban service areas (or Town or GID) should require TDRs. The demand for TDRs would likely increase if all rezonings for higher density residential development and commercial or industrial development required TDRs. If a property owner wanted to rezone a vacant residential property in Gardnerville from SFR-12,000 to Multi-Family Residential, for example, the County could require TDRs as part of the re-zoning application. In some jurisdictions, such as In King County, Washington, there are no receiving area land use designations. The receiving areas in King County are specific zoning districts.

Several receiving areas need land use and/or rezoning changes due to lack of conformity with build out conditions. North Fork Trails, for example, is a receiving area in Johnson Lane that is totally built out. It would be appropriate to the change the land use from Receiving Area to Single-Family Estates.

The County could also explore the establishment of a TDR bank. A TDR bank can purchase, hold, and sell development rights. A TDR bank can use the proceeds to buy more development rights, thus creating a revenue source for open space acquisition. Successful TDR banks operate in King County, WA and Palm Beach County, FL.

URBAN SERVICE AREAS

Since the adoption of the Master Plan in 1996, public water and wastewater services have been extended or improved in many areas of Douglas County. It may be appropriate to add an Urban Service Boundary for the Genoa Community Plan, for example.

GROWTH MANAGEMENT GOALS, POLICIES, AND ACTION

The following goals, policies, and actions for the Douglas County Growth Management Element set forth priorities for the next five to ten years.

GROWTH MANAGEMENT GOAL 1

TO KEEP GROWTH IN DOUGLAS COUNTY TO A SUSTAINABLE LEVEL THAT NATURAL AND FISCAL RESOURCES CAN SUPPORT.

- Growth Management Policy 1.1 Douglas County shall continue to implement the Building Permit Allocation and Growth Management Ordinance and report on the status on an annual basis, as well as every five years.
- Growth Management Action 1.1 Douglas County shall develop key indicators to monitor the impacts of growth, as well as progress being made towards implementing the County’s growth management programs, and report on them on an annual basis.**

GROWTH MANAGEMENT GOAL 2

TO DIRECT NEW DEVELOPMENT TO LOCATIONS WITHIN OR ADJACENT TO EXISTING COMMUNITIES WHERE PUBLIC SERVICES AND FACILITIES CAN BE PROVIDED AND A SENSE OF COMMUNITY CAN BE CREATED OR ENHANCED.

- Growth Management Policy 2.1 Douglas County shall use the Land Use Element of this Master Plan to designate areas for distinct urban and rural communities. The designated development areas of these communities shall not include land which cannot be served with adequate services and facilities during the time frame of the Master Plan.
- Growth Management Policy 2.2 Douglas County shall limit extension of urban levels of public services outside identified Urban Service Areas identified on the Land Use Map, except in cases where said extension is necessary for the provision of public health and safety.
- Growth Management Policy 2.3 Douglas County shall manage the appropriate timing and location of development to achieve the County’s goals related to natural resources, community character, and provision of public services.
- Growth Management Policy 2.4 Douglas County shall ensure that projects proposed in the Capital Improvement Program are consistent with the goals and policies in the Growth Management Element of the Master Plan.

Growth Management Policy 2.5	Douglas County shall support annexations to unincorporated towns or to the service areas of providers (such as GIDs) that are compatible with the Master Plan's identified Urban Service Areas.
Growth Management Policy 2.6	Douglas County shall not approve urban development proposals located outside of urban service areas
Growth Management Policy 2.7	New receiving areas will be prohibited outside of urban services areas.
Growth Management Policy 2.8	Urban Service boundaries can be modified only during five-year updates of the Douglas County Master Plan
Growth Management Policy 2.9	Douglas County shall coordinate with service providers to consider modifications to the Urban Service boundaries during five-year updates of the Douglas County Master Plan.
Growth Management Action 2.1	The Community Development Department will provide input during the preparation of the annual CIP to insure consistency with the Master Plan and the Growth Management Chapter of the Douglas County Development Code.

GROWTH MANAGEMENT GOAL 3

TO CONTINUE TO WORK TO SECURE FEDERAL, STATE, AND PRIVATE FUNDING TO PURCHASE OPEN SPACE AND ESTABLISH CONSERVATION EASEMENTS, AND ESTABLISH AN OPEN SPACE ACQUISITION PROGRAM.

Growth Management Action 3.1	Douglas County shall examine the feasibility of developing and/or working with an existing land trust or conservancy to implement and facilitate an Open Space Acquisition Program.
Growth Management Action 3.2	Douglas County shall analyze the effectiveness of the Transfer Development Rights Program before the next update of the Douglas County Master Plan and prepare recommendations on sending and receiving areas and TDR values