

**PLANNING COMMISSION AGENDA ITEM
COVER PAGE**

MEETING DATE: October 13, 2026

TIME REQUIRED:

AGENDA: **PUBLIC HEARINGS**

TITLE:

For possible action. Discussion on Ordinance 2026-1673, a Zoning Text Amendment amending Douglas County Code, Title 20, by revising section 20.664.125 to add an affordable housing exemption to the commercial floor area requirement applicable to multi-family housing that requires a mixed-use component.

RECOMMENDED MOTION:

Recommend to the Board of County Commissioners that they approve **Ordinance 2026-1673**, as presented, based on the ability to meet the required findings, as set forth in the staff report, presentations, and Planning Commission discussion.

FINANCIAL IMPACT:

Replacing potential retail or office spaces with residential units means the county foregoes localized sales tax revenue from future commercial tenants, trading it for the economic activity generated by new residents. Additionally, expanding affordable workforce housing helps local businesses retain employees, reducing recruitment costs and driving regional sales tax growth through increased consumer spending from a larger resident workforce.

BACKGROUND:

Douglas County has updated its development code to allow multi-family housing in all commercial zones, but requiring these projects to include a commercial component for 25% of the project floor area. The code was revised in response to Assembly Bill 241, which was specifically designed to combat the nationwide workforce housing crisis by authorizing by-right residential developments on commercially

zoned properties.

While Douglas County officially adopted these rules under Ordinance 2025-1661 in February 2026, county staff quickly identified an abundance of vacant commercial properties, particularly in the Gardnerville Ranchos and Indian Hills communities, where forcing new commercial spaces would only worsen vacancy rates.

To address this issue, staff are proposing Ordinance 2026-1673, which creates an affordable housing exemption to eliminate the commercial floor area requirement in high-vacancy areas. This new exemption does not apply to the towns of Gardnerville, Minden, or Genoa, where town boards expressed a strong preference to maintain mixed-use commercial requirements.

ATTACHMENTS:

[FINAL Staff Report PC 9.13.26 Ord 2026-1673 Ord 2026-1674 Affordable Housing.pdf](#)
[Ordinance_2026-1673_-_ZTA_Affordable_Housing_Exemption_to_Mixed-Use_Requirements.pdf](#)
[Map Gardnerville Ranchos Community Area.pdf](#)
[Map Indian Hills Jacks Valley Communtiy Area.pdf](#)