

Real Estate and Development

Clark County, Las Vegas welcome guesthouses

Friday, August 25, 2006

By Brian Wargo

Could mothers-in-law who visit but never leave be the answer to the affordable housing crisis in Southern Nevada?

Probably not.

But that's not stopping Clark County and Las Vegas from turning to guesthouses as one way to expand affordable housing opportunities for both renters and owners.

At the direction of the Board of Commissioners and Growth Task Force, Clark County's Comprehensive Planning Department has drafted an ordinance allowing guesthouses — also known as accessory apartments and granny flats — in most single-family zoning classifications. The looming change comes four months after Las Vegas revised its guesthouse ordinance to enable more of their construction.

The county adopted an ordinance in June 2005 that expanded the use of accessory apartments from rural districts to zoning districts that normally allow five units per acre.

The thought at the time was that by allowing accessory apartments, another attainable housing option would be available. Rental incomes could help pay the mortgage.

It would also give extended families such as parents with grown children who have trouble affording housing and adults with aging parents who require care the ability to live closer to each other.

But in a year since its adoption, the county received only 27 applications for accessory apartments. Five have been completed, 10 have been approved and are under construction and 12 are in plan check.

That has prompted county officials to propose an ordinance that allows guesthouses in residential zoning districts that allow up to eight homes per acre. In addition, the guesthouses could forgo a kitchen for the first time, said Clark County Planning Manager Chuck Pulsipher. That concept, referred to as a casita, will lower the construction costs,

especially since guest houses without a kitchen aren't required to pay for water and sewer connections, he said.

"Sometimes it takes builders awhile to discover when we do something and hopefully they will take advantage," Pulsipher said. "I am hoping it will lead to more affordable housing options and keep the family together. They are for parents who have children but don't want them to live across town and for a couple with elderly parents who want to take better care of them. There are a lot of social advantages to having these."

Commissioners will vote on the ordinance Sept. 6, but not everyone supports the expansion. Members of the Clark County Steering Committee expressed concerns about density and the impact on neighborhoods even though county officials said there is no indication neighborhoods have been harmed.

The proposed ordinance requires a minimum lot size of 4,000 square feet.

And under the existing ordinance, one of the two homes on the property must be lived in by the owner, Pulsipher said.

Las Vegas officials hope an ordinance the City Council revised in April leads to the construction of more guesthouses. While Clark County is moving to allow units without kitchens, Las Vegas' new ordinance allows the guesthouses to be built with kitchens for the first time.

The units must be aesthetically compatible with the main house and are limited to half their size. They can take up no more than half of the rear yard and must include one additional on-site parking space.

Despite the movement by Las Vegas and Clark County, neither Henderson nor North Las Vegas is going in the same direction.

Both cities allow guesthouses but primarily in ranch estate-type of zoning. Neither allows the homes to have kitchens nor allows them to be rented out.

Henderson Planning Director Bristol Ellington said it's an issue his city would like to look at but questioned whether making it easier to build guesthouses will help with the problem of workforce housing.

"You have to be able to afford the house in the first place," Ellington said. "I don't know that the notion of allowing someone to rent out a unit will make it easier for them to afford their home."

Ellington said there are concerns about allowing the guesthouses in denser neighborhoods where streets are already narrow and parking is at a premium.

Brian Walsh, a vice president with Centex Homes, questioned whether making it easier to build guesthouses would have any effect on affordable housing. With land prices rising and densities increasing because of it, it will be impossible to build guesthouses on lots in the future, he said.

Walsh said he doesn't see the concept being used by first-time home buyers to make homes affordable to them. Instead, he said the option is more for existing homeowners who want to expand their home because they can't afford to buy a larger one. Maybe, they want more room or a place for their mother-in-law, he said.

- Bob Hamrick, the owner and chief executive of Las Vegas Coldwell Banker Premier Realty, has been named senior vice president of MGM Mirage's CityCenter Realty Corp. The division will focus on the sale of CityCenter's 2,800 luxury residences. Hamrick led his company to a ninth-place ranking in terms of production among the 1,400 Coldwell Banker companies worldwide.

- Paxton Walk, a 31-acre mixed-use development consisting of 782 condominiums and town homes, restaurants and storefront is planned for the corner of Tenaya Way and Centennial Parkway near the Las Vegas Beltway and U.S. 95 interchange. Developer Blue Marble Development announced sales for the first phase will open this quarter. Construction will begin in the fourth quarter. It will measure 2 million square feet.

- Boca Raton Luxury Condominiums reported it has topped off its first phase and is on schedule for a January completion date for its far South Strip project. The first phase of the midrise project consists of two buildings with 378 homes, according to Palm Beach Resort Condominiums LLC.

- The Platinum Hotel and Spa, 211 E. Flamingo Road, is set to open Oct. 1. Touting itself as the second condominium hotel to open in the city, the Platinum includes 255 suites on 17 floors.

- Centex Destination Properties' Urban Village-Las Vegas on the South Strip announced that buyers staked their claims to \$55 million in units of the initial phase, The Brownstones. Reservations for 75 percent of the first release were converted to contract offers. Construction started in May. Future phases will include more brownstones, a condo-hotel, condominiums and retail shops.

- Trader Joe's will be a tenant at the Eastern Commons Shopping Center at Eastern Avenue and Horizon Ridge Parkway. When Trader Joe's opens in early 2007, it will be the second store in Henderson and fourth in the Las Vegas Valley.

- Rainbow Arroyo Commons issued a letter of intent to construct the Arroyo Market Square at Rainbow Boulevard, south of Interstate 215. Roche Constructors will build the \$30 million, 88-acre retail center that will include Sam's Club, Wal-Mart and Home Depot.

- DP Partners has broken ground for the fourth building, a 513,240 square foot big-box distribution center within its 102-acre master-planned business park, LogistiCenter at North Las Vegas. The park is at the southwest corner of Alexander Road and Bay Lake Trail. It has touted the building as the largest spec building in the Las Vegas market. When built out with six buildings, the center will have nearly 2 million square feet.

- Evolution Lofts has opened its information center for its 159 lofts in the Arts District at Charleston Boulevard and Third Street. A project of Boulevard Properties and the Greenwald Group, the 29-story project joins a handful of others in the downtown area. Construction is slated to start in the spring.

- Executive Home Builders has opened its One Queensridge Place sales and design studio. Touting itself as the first vertical custom home condominium development in northwest Las Vegas, One Queensridge Place has sold 80 percent of the 219 homes in its first phase, an 18-story tower near Alta Drive and Rampart Boulevard. Move-in is scheduled for mid-2007.
- The PENTA Building Group has been awarded the construction contract for the third building in the World Market Center. The building will be 2 million square feet and 15 stories with construction scheduled to begin in September and be completed by May 2008.
- Panorama Towers, a luxury high-rise condominium project at 4631 S. Dean Martin Drive, announced it is the first Las Vegas developer to open a sales center in Los Angeles. Its two 325-unit, 33-story towers are nearing completion with the first tower opening by fall. Prices start at more than \$400,000 and go up to \$12 million in the first tower. Four towers and 1,400 units are planned.
- Keith Huffman, vice president of finance of American Nevada Company, has been named to the National Capital Markets Forum, which was developed by the National Association of Industrial and Office Properties to provide exclusive networking and experience exchange for senior-level members with 10 or more years of industry experience.
- Construction will begin in September for developer Ian Peltier of Escana Properties' LA LUZ, a luxurious gated community of 17 custom homes on the slopes of Black Mountain. It will be completed by July.