

Item # 23A

**City of Carson City  
Agenda Report**

**Date Submitted:** June 9, 2009

**Agenda Date Requested:** June 18, 2009

**Time Requested:** 15 minutes

**To:** Board of Supervisors

**From:** Public Works – Planning Division

**Subject Title:** Action to adopt a resolution approving of an Interlocal Agreement by and between Carson City and the Nevada Rural Housing Authority to authorize the Nevada Rural Housing Authority to act on behalf of Carson City as the facilitator of the U.S Department of Housing and Urban Development (HUD) Dollar Homes program.

**Staff Summary:** HUD's Dollar Homes program helps local governments promote housing opportunities for low-to moderate-income families and address specific community needs by offering them the opportunity to purchase qualified HUD-owned homes for one dollar each. Dollar Homes are single-family homes that are acquired by the Federal Housing Administration (which is part of HUD) as a result of foreclosure actions. Single-family properties are made available through the program whenever FHA is unable to sell the homes for six months. By selling vacant homes for \$1 after six months on the market, HUD makes it possible for communities to fix up the homes and put them to good use at a considerable savings. The newly occupied homes can then act as catalysts for neighborhood revitalization, attracting new residents and businesses to an area. Local governments can partner with local nonprofit homeownership organizations or tap into existing local programs to resell the homes to low- and moderate-income residents of the community.

**Type of Action Requested:(check one)**

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

**Does This Action Require A Business Impact Statement:**  Yes  No

**Recommended Board Action:** I move to adopt a resolution approving of an Interlocal Agreement by and between Carson City and the Nevada Rural Housing Authority to authorize the Nevada Rural Housing Authority to act on behalf of Carson City as the facilitator of the U.S Department of Housing and Urban Development (HUD) Dollar Homes program.

**Explanation for Recommended Board Action:** The City does not have a Housing Authority to implement the Dollar Home program. Giving the NRHA authority to act on behalf of Carson City would help the City meet the CDBG goals and objectives to meet affordable housing requirements.

**Applicable Statue, Code, Policy, Rule or Regulation:** Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383 as amended; 42 U.S.C.-5301 *et seq.*, Chapter 277

of NRS.

**Fiscal Impact:** None

**Explanation of Impact:** No direct cost or staff time from the City would be used for the Dollar Home program by giving the NRHA authority to act on the City's behalf. The new homeowner would be responsible for all property taxes.

**Funding Source:** N/A

**Alternatives:** 1) Take no action

**Supporting Material:** 1) Agreement  
2) Resolution

**Prepared By:** Janice Brod, Management Assistant V/CDBG Coordinator

**Reviewed By:** *Janice Brod* Date: 6.9.09  
(Planning Division Director)  
*[Signature]* Date: \_\_\_\_\_  
(Public Works Director)  
*[Signature]* Date: 6/2/09  
(City Manager)  
*Melanie Buketta* Date: 6-9-09  
(District Attorney's Office)

**Board Action Taken:**

Motion: \_\_\_\_\_ 1) \_\_\_\_\_ Aye/Nay  
2) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Abstentions: \_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

## **AGREEMENT**

THIS AGREEMENT is entered into by and between Carson City, a consolidated municipality and political subdivision of the State of Nevada (hereinafter referred to as "City") and the Nevada Rural Housing Authority, a political subdivision of the State of Nevada, (hereafter referred to as "NRHA").

### **RECITALS**

WHEREAS, NRS 277.100(1) defines a public agency eligible to enter into an interlocal contract to include any political subdivision of the State of Nevada, and thus the City and the NRHA are public agencies under NRS 277.100; and

WHEREAS, NRS 277.180(1) provides that any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which any of the contracting agencies is authorized by law to perform; and

WHEREAS, the Carson City Consolidated Plan identifies the need in Carson City for affordable ownership of housing for households of low-and moderate-income; and,

WHEREAS, the U.S. Department of Housing and Urban Development (hereinafter referred to as "HUD") \$1 Home Sales to Local Government Program (hereinafter referred to as "Dollar Homes Program") allows local governments to purchase foreclosed HUD homes for one dollar that do not otherwise have an acceptable purchase offer after 6 months on the market in order to sell or rent the home to households of low-and moderate-income; and,

WHEREAS, the NRHA wishes to act on behalf of Carson City as the facilitator of the HUD Dollar Homes program; and,

WHEREAS, the NRHA has a Land Trust program which legally separates the land from the home and the NRHA would put all dollar homes that they purchase on behalf of the City under the HUD Dollar Homes program into the Land Trust to make the mortgage more affordable.

Now, therefore the City and the NRHA do hereby agree as follows:

1. The term of this Agreement shall commence upon approval of this Agreement by both parties.
2. The NRHA is authorized to purchase not more than 5 homes foreclosed upon by HUD that have been made available to local governments under the HUD Dollar Homes program on behalf of the City.
3. The NRHA will inspect properties that come available under the HUD Dollar Homes program to evaluate their appropriateness for the Land Trust program and estimate rehabilitation costs.
4. The NRHA will determine if the property is appropriate for acquisition and submit a purchase offer to HUD. The NRHA funds the acquisition, separates the improvements upon the real property from the land on which the improvements are located, puts the land on which the home is located into the Land Trust, acquires funds to pay for rehabilitation costs and begins work to make the improvements ready for resale. If the NRHA puts the land on which a home is located into the Land Trust, the NRHA and City agree that if the subsequent owner of the improvements

becomes delinquent on any or all ad valorem property taxes owed on those improvements, the NHRA may, within 2 years of when the ad valorem property taxes become delinquent, make a payment to satisfy those delinquent ad valorem property taxes. The NRHA and City further agree that if the NRHA or the owner of the improvements fails to satisfy any delinquent ad valorem property taxes and the City acquires a deed upon those improvements pursuant to chapter 361 of NRS for the failure to pay assessed ad valorem property taxes, the NHRA shall separate the real property upon which those improvements are located from the Land Trust and the real property and such improvements shall be merged into a single parcel owned by the City under the deed taken pursuant to chapter 361 of NRS.

5. The NRHA agrees that City does not have any liability to NHRA for the cost of acquiring a home, putting the home into the Land Trust, paying for any rehabilitation costs or any other expense related to acquiring, rehabilitating or disposing of a home pursuant to this Agreement. The NHRA further agrees to indemnify and hold harmless the City for any cost of acquiring a home, putting the home into the Land Trust, paying for any rehabilitation costs or any other expense related to acquiring, rehabilitating or disposing of a home that may be owed to a third party pursuant to this Agreement.
6. The NRHA will immediately begin community outreach efforts to bring awareness to low income households of the opportunity to purchase an

affordably priced home in Carson City. Outreach is targeted to clients of the Department of Health and Human Services of the City.

7. The NRHA will make applications available to interested households and reviews completed applications and credit reports to determine homebuyer readiness. Applicants are interviewed and household budgets are analyzed to determine affordability.
8. The NRHA will select a potential homebuyer and provide assistance in completing a mortgage application. The chosen applicant completes Homebuyer and Land Trust education.
9. The NRHA will monitor the mortgage application process and will continue to work with the homebuyer through close of escrow. The Land Trust staff of NRHA will provide Homebuyer Education and maintenance and repair clinics to the homebuyer after the close of escrow.
10. Proceeds from the sale of the HUD Dollar home to the new Land Trust homebuyer would be earmarked as a subsidy for the acquisition of another Land Trust home in Carson City.
11. The City or the NHRA may revoke this Agreement at any time upon 30 days written notification to the other party. However, the duty of the NHRA to indemnify and hold harmless the City pursuant to paragraph 5 of this Agreement, the right of the NRHA to make payments to the City for delinquent ad valorem property taxes pursuant to paragraph 4 of this Agreement and the duty of the NRHA to separate real property from the Land Trust if the City acquires a deed to the improvements upon real

property pursuant to chapter 361 of NRS due to the failure of NRHA or the owner of the improvements to pay required ad valorem property taxes shall survive any termination of this Agreement by either party for any expense or liability incurred prior to the termination of this Agreement.

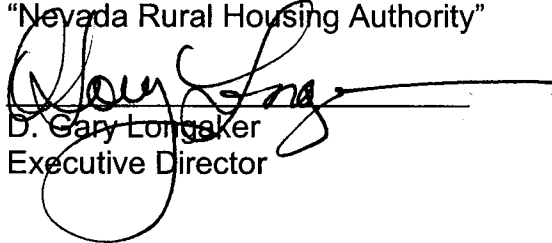
12. The parties hereto agree that the City or the NHRA may not assign or transfer this Agreement without the consent of the other party. This Agreement shall be binding on the successors and assigns of the parties.
13. Each party agrees to indemnify and hold harmless the other party, to the extent provided by law, including, but not limited to, NRS. ch. 41, from and against any liability arising out of the performance of the Agreement proximately caused by any act or omission of its own officers, agents, and employees.
14. Nothing in this Agreement is intended to create nor shall it be interpreted to create or otherwise provide any special duty owed to any particular person or to any third party regardless of where that third party may live or the cause of action of the third party. Further, nothing in this Agreement is intended to create nor shall it be interpreted to create or otherwise provide any interests, rights, or remedies to any third party whatsoever.
15. This Agreement is to be construed in accordance with the laws of the State of Nevada.
16. The illegality or invalidity of any provision or portion of this Agreement shall not affect the validity of the remainder of the Agreement.

17. This Agreement sets forth the entire Agreement of the parties with respect to the subject matter of this Agreement and supersedes all other Agreements, written or oral, between the parties hereto.

Effective this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

BETWEEN:

"Nevada Rural Housing Authority"

  
D. Gary Longaker  
Executive Director

"City"

By: \_\_\_\_\_  
Robert L. Crowell  
Mayor of Carson City

ATTEST:

\_\_\_\_\_  
ALAN GLOVER  
Clerk Recorder

APPROVED AS TO FORM

By: \_\_\_\_\_  
District Attorney



**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION APPROVING OF AN INTERLOCAL AGREEMENT BY AND BETWEEN CARSON CITY AND THE NEVADA RURAL HOUSING AUTHORITY TO AUTHORIZE THE NEVADA RURAL HOUSING AUTHORITY TO ACT ON BEHALF OF CARSON CITY AS THE FACILITATOR OF THE U.S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT DOLLAR HOMES PROGRAM.

**WHEREAS**, pursuant to NRS 277.180, any one or more public agencies may enter into interlocal contracts with any one or more other public agencies for the performance of any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform; and

**WHEREAS**, Carson City is a political subdivision of the State of Nevada and public agency and the Nevada Rural Housing Authority is a public agency; and

**WHEREAS**, NRS 277.180 provides that every such contract must be ratified by appropriate official action of the governing body of each party to the contract as a condition precedent to its entry into force; and

**WHEREAS**, NRS 277.180 also provides that every such contract must set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties; and

**WHEREAS**, the parties are entering into an Interlocal Agreement, for the purpose of authorizing the Nevada Rural Housing Authority to act on behalf of Carson City as the facilitator of the U.S. Department of Housing and Urban Development Dollar Homes Program,

**NOW, THEREFORE, BE IT RESOLVED**, that the terms and conditions of the Interlocal Agreement, for the purpose of authorizing the Nevada Rural Housing Authority to act on behalf of Carson City as the facilitator of the U.S. Department of Housing and Urban Development Dollar Homes Program, is hereby adopted and approved; and

**BE IT FURTHER RESOLVED** that the Interlocal Agreement, for the purpose of authorizing the Nevada Rural Housing Authority to act on behalf of Carson City as the facilitator of the U.S. Department of Housing and Urban Development Dollar Homes Program, shall be spread at large upon the minutes or attached in full thereto as an exhibit, and that a copy of this Resolution shall be sent to the Nevada Rural Housing Authority.

Upon motion by Supervisor \_\_\_\_\_, seconded by  
Supervisor \_\_\_\_\_, the foregoing Resolution was passed and  
adopted this \_\_\_ day of June, 2009 by the following vote.

VOTE:      AYES:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NAYS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ABSENT:

\_\_\_\_\_

ABSTAIN:

\_\_\_\_\_

\_\_\_\_\_  
Robert Crowell  
Mayor, Carson City

ATTEST

\_\_\_\_\_  
Alan Glover, Clerk  
Carson City, Nevada