

Item # 9B

**City of Carson City
Agenda Report**

Date Submitted: August 7, 2007

Agenda Date Requested: August 16, 2007

Time Requested: 5 minutes

To: Mayor and Board of Supervisors

From: Office of Business Development

Subject Title: Action to adopt Resolution 2007-___, a resolution allocating Carson City's share of Nevada private activity bond volume cap for 2007 to the Nevada Rural Housing Authority for the "Home At Last" first-time homebuyers mortgage program.

Staff Summary: Carson City may annually allocate a share of State money set aside for tax-exempt loans for industrial development and affordable housing projects, referred to by the State as "private activity bond volume cap." Carson City may allocate its share to specific projects that apply and qualify with the State, or the allocation goes back into the general State-wide pool. No other applications for allocation were received by the City.

Type of Action Requested:

☐ Resolution

☐ Ordinance

☒ Formal Action/Motion

☐ Other (Specify)

Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to adopt Resolution 2007-___, a resolution allocating Carson City's share of Nevada private activity bond volume cap for 2007 to the Nevada rural Housing Authority for the "Home At Last" first-time homebuyers mortgage program.

Explanation for Recommended Board Action: No other applications for allocation of the City's share of the State private activity bond volume cap were received. The Nevada Rural Housing Authority "Home At Last" first-time homebuyers mortgage program benefits Carson City residents as well as others in the region. If no action is taken, Carson City's share of volume cap would go back into the State-wide pool on September 1 to be used elsewhere in the State.

Applicable Statute, Code, Policy, Rule or Regulation: NRS 348A.

Fiscal Impact: None.

Explanation of Impact: No expenditure is required from the City and the first-time homebuyers mortgage program has no fiscal impact on the City.

Funding Source: N/A

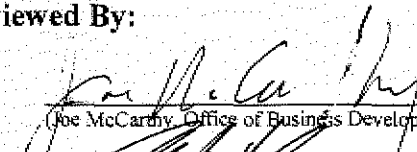
Alternatives: 1) Deny the Resolution.

Supporting Material:

- 1) Resolution
- 2) Request from Nevada Rural Housing Authority

Prepared By: Joe McCarthy, Redevelopment and Economic Development Manager

Reviewed By:


(Joe McCarthy, Office of Business Development)

Date: 8-7-07


(Linda Ritter, City Manager)

Date: 8-7-07


(Sue Johnson, Finance Director)

Date: 8/7/7


(Melanie Braketta, Deputy District Attorney)

Date: 8-7-07

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

1 RESOLUTION NO. 2007-R-____

2
3 A RESOLUTION ALLOCATING CARSON CITY'S SHARE OF
4 NEVADA PRIVATE ACTIVITY BOND VOLUME CAP FOR 2007 TO
5 THE NEVADA RURAL HOUSING AUTHORITY FOR THE "HOME
6 AT LAST" FIRST-TIME HOMEBUYERS MORTGAGE PROGRAM
7

8
9 Fiscal Effect: None.

10 WHEREAS, pursuant to the provisions of Section 348A of Nevada Revised Statutes
11 ("NRS") and Section 348A of the Nevada Administrative Code ("NAC"), there has been
12 allocated to the City of Carson City, Nevada (the "City" and the "State," respectively),
13 \$2,818,287.06 in tax-exempt private activity bond volume cap for calendar year 2007 ("volume
14 cap"); and

15 WHEREAS, the City received no request for any allocation of volume cap for a
16 specific project within Carson City; and

17 WHEREAS, the Nevada Rural Housing Authority serves the region including Carson
18 City and has requested that Carson City allocate its share of 2007 State volume cap for the
19 "Home at Last" first-time homebuyers mortgage program; and

20 WHEREAS, the City desires to prevent the City's volume cap from reverting to the
21 State and desires to allocate the volume cap described below.

22 THEREFORE, the Carson City Board of Supervisors hereby resolve:

23 A. To transfer its entire volume cap, \$2,818,287.06, to the Director of the State of
24 Nevada Department of Business and Industry (the "Director" and the "Department," respectively)
25 with a request that the Director transfer the volume cap to the Housing Division of the
26 Department ("Housing") for use for the "Home at Last" first-time homebuyers mortgage
27 program.

28 B. Pursuant to Section 348A.220 of NAC, the City hereby certifies that it has used all of
29 its allocation for calendar year 2007, and that it intends to use (by transfers as herein provided)
30 and hereby reserves the entire unused portion of its volume cap.

31 C. The City Clerk is hereby authorized and directed to mail a copy of this resolution to
32 the Director and the Secretary of the State Board of Finance.

33 D. Nothing in this Resolution obligates the City to issue bonds for any particular project

1 or to grant approvals for a project or constitutes a representation that such bonds will be issued,
2 that such projects will be approved, or that any city volume cap other than the amount outlined in
3 Section A will be made available for any particular project.

4 E. This Resolution may be amended or repealed at any time by the City at its sole
5 discretion before bonds are issued that use the volume cap described herein. After such bonds
6 are issued, this Resolution may not be amended or repealed in such a manner as to change the
7 allocation of volume cap to the bonds which have been issued.

8 F. This Resolution shall be effective upon its passage and approval.

9
10 PROPOSED this _____ day of _____, 2007.

11 PROPOSED BY Supervisor _____

12 PASSED on the _____ day of _____, 2007.

13 VOTE: AYES: _____

14 _____

15 _____

16 _____

17 _____

18 NAYS: _____

19 _____

20 ABSENT: _____

21 _____

22 _____

23 MARV TEIXIERA, Mayor

24 ATTEST:

25 _____
26 ALAN GLOVER, Clerk-Recorder

27
28 ///

1 Received, filed and approved by the Director of the Department of Business and
2 Industry of the State of Nevada this _____ day of _____, 2007.

3 _____
4
5 Department of Business and Industry
6
7

8 Received, filed and approved by the Secretary of the State Board of Finance this _____
9 day of _____, 2007.

10 _____
11 Secretary, State Board of Finance
12



NEVADA RURAL HOUSING AUTHORITY



3695 Desatoya Drive, Carson City, NV 89701
(775) 887-1795 • (775) 887-1798 Fax
TDD 800-545-1833 ext.545



August 6, 2007

Joe McCarthy
Economic Development & Redevelopment
Carson City
201 North Carson Street
Carson City, Nevada 89701

Dear Mr. McCarthy:

Nevada Rural Housing Authority (NRHA) would like to request Carson City's unused Private Activity Bond Cap (PABC) allocation for 2007 (\$2,818,287.06). A proposed board resolution and transfer certificate are attached. In order to avoid the funds reverting back to the state, this action item must be scheduled for your August 16th Board of Supervisors agenda. We would be happy to discuss what should be included in a presentation to the Board of Supervisors.

We would like to utilize Carson City's PABC allocation for our transfer/matching funds program, which pools these funds together to provide mortgages for first time homebuyers. The following cities and counties have already transferred their 2007 allocation to us: Douglas County, Lyon County, City of Yerington, Churchill County, City of Fallon, City of Lovelock, Pershing County, Washoe County, Storey County and many others.

Nevada Rural Housing Authority received \$12,450,000 in matching funds from the state's Private Activity Bond Cap Committee this year. This is a decrease from last year as there was more demand than funds available this year. Therefore, unlike last year, there may be no additional residual funds available. The success of our program is predicated on the continued participation of cities and counties of rural Nevada.

NRHA's "Home at Last" program is designed to help homebuyers purchase a newly constructed or existing home by providing affordable mortgage loans with a grant for down payment assistance. This program is targeted to low and moderate-income households. Eligible families in Carson City will have a maximum income of \$72,000 for a family of two, or \$84,000 for a household of three or more, with a maximum home cost of \$358,875.

The loans are either FHA-insured, VA-Guaranteed, Freddie Mac or Fannie Mae Eligible Conventional or Rural Housing Service (RHS) 30-year fixed-rate mortgages. The mortgage is a below-market 6.45% with a non-repayable 4.00% down payment assistance grant. Homebuyers work directly with local participating lenders.

NRHA funded 31 loans in Carson City through our two previous programs, totaling \$6,466,017, which provided \$258,640 in down payment and closing cost assistance in the form of grants. Although Carson City did not provide a transfer of funds last year due to a previous commitment, NRHA, recognizing the importance of first time homebuyers, provided matching funds for mortgages to Carson City residents (see attached table).

In addition to our first time homebuyer program, over the past year NRHA has helped the following in Carson City:

- Rental assistance to 500 low-income families, seniors and disabled individuals who live in privately owned homes and apartments.
- Security deposit assistance to 100 low-income families, seniors and disabled individuals.
- Utility payment assistance to 130 low-income families, seniors and disabled individuals.
- Provide subsidized housing for 100 seniors at Southgate Apartments.

Due to the reduced state funding the ability to serve Carson City working families is in jeopardy without your transfer.

Please contact me at 775-887-1086 if you have any questions.

Sincerely,

D. Gary Longaker
Executive Director

Attachments (transfer resolution, transfer certificate, matching funds)

cc: Lee Plemel, Principal Planner