

Item # 22B

**City of Carson City
Agenda Report**

Date Submitted: June 9, 2009

Agenda Date Requested: June 18, 2009

Time Requested: 5 mins

To: Board of Supervisors

From: Lawrence A Werner P.E., P.L.S., City Manager

Subject Title: Action to adopt Resolution No. 2009-____, a resolution providing for the transfer of Carson City's share of the 2009 private activity bond cap to the Nevada Rural Housing Authority and other matters properly related thereto.

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.

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 Resolution No. 2009-____, a resolution providing for the transfer of Carson City's share of the 2009 private activity bond cap to the Nevada Rural Housing Authority and other matters properly related thereto.

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 Single Family Mortgage Loan 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 to be used elsewhere in the State.

Applicable Statue, Code, Policy, Rule or Regulation: NRS 348A

Fiscal Impact: N/A

Explanation of Impact: N/A

Funding Source: N/A

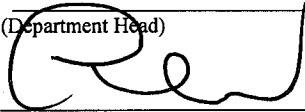
Alternatives: Deny the resolution

Supporting Material: Request from Nevada Rural Housing, Resolution, and Certificate of Transfer of Volume Cap.

Prepared By: Janet Busse, Office Supervisor

Reviewed By:

(Department Head)



(City Manager)

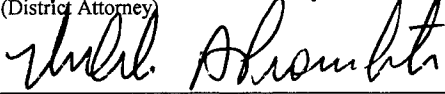
Date: _____

Date: 6/8/09



(District Attorney)

Date: 6-9-09



(Finance Director)

Date: 6-9-09

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

Janet Busse - PABC Request

From: "Melanie Evans" <mevans@nvrural.org>
To: <lwerner@ci.carson-city.nv.us>
Date: 5/28/2009 7:44 am
Subject: PABC Request
Attachments: Larry Werner 05-27-09.pdf; CC Transfer Resolution - 2009.doc; CC Transfer Certificate - 2009.doc; PABC Allocation 09.pdf; Larry Werner 05-27-09.pdf; CC Transfer Resolution - 2009.doc; CC Transfer Certificate - 2009.doc; PABC Allocation 09.pdf

Good afternoon,

It is that time again! Nevada Rural Housing Authority would like to request your unused Private Activity Bond Cap (PABC) allocation for 2009, just like we have the last three years. NRHA has implemented three tax-exempt bond programs totaling \$83 million dollars, helping over 400 rural Nevadans buy their first home. We strongly emphasize that this could not have been accomplished without your help.

You should have received a packet from NRHA regarding our newest Home at Last program, the Mortgage Credit Certificate program. The success of this program will be predicated on your transfer and the transfer of the other cities and counties. If the funds cannot be utilized by the cities and counties, they revert back to the State on September 1st.

You received a notice from the State of Nevada Department of Business and Industry recently, regarding your share of the 2009 PABC allocation. The process to transfer your allocation to NRHA simply requires a resolution and transfer certificate (attached). The resolution and transfer certificate will need to be executed, signed and forwarded immediately following your meeting.

I'd like to make a presentation to your Board of Supervisors for the allocation, and to update them on NRHA's new programs and future plans. The presentation will only require about 10 minutes. Please contact Melanie Evans or Sigrid Victor at 775-887-1086 to arrange a convenient meeting time on your calendar. Please see the letter attached for additional details.

Sincerely,

D. Gary Longaker

Executive Director

Nevada Rural Housing Authority

3695 Desatoya Drive

Carson City, NV 89701

775-887-1086

<<Larry Werner 05-27-09.pdf>> <<CC Transfer Resolution - 2009.doc>> <<CC Transfer Certificate - 2009.doc>> <<PABC Allocation 09.pdf>>



May 7, 2009

Larry Werner, Carson City Manager
201 N. Carson Street, Suite 2
Carson City, Nevada 89701

Dear Mr. Werner:

It is with great pleasure that Nevada Rural Housing Authority (NRHA) announces its newest Home at Last product, the Mortgage Credit Certificate (MCC) Program, and the first in Nevada's history. The MCC program helps rural Nevadans purchase their first home by providing a dollar-for-dollar federal income tax credit equal to 20% or 30% of the interest paid on a mortgage loan. We estimate the average family in our program will save \$2,000 and this savings will continue every year based upon the actual interest paid.

The MCC Program was implemented by NRHA because the financial markets are still in disarray and it was not possible to do a bond program using your private activity bond cap, as we have done in the past. NRHA did three tax-exempt bond issues as a result of the transfers and matching funds of PABC, totaling \$83 million dollars. Those programs helped over 430 Nevadans buy their first home.

We have enclosed our MCC Program brochures. Please visit our new website at www.nvrural.org for details on the MCC Program, as well as all of NRHA's programs. The MCC Program has twelve participating lenders that cover all rural counties and cities. A current list of the lenders is on our website, and attached.

This program, like bond programs, waives the first time homebuyer provision for qualified Veterans. The first time homebuyer requirement requires the family to not have owned a home for the last three years.

The MCC Program also successfully responds to the Nevada Legislature's 1988 intent of sharing the Private Activity Bond Cap allocation. We receive the allocation for this program from the transfer/matching funds concept we implemented in 2006, where we received allocations from the cities and counties, and the PABC Committee. It is a win-win-win for the state, the cities, and the counties. We will be in contact with you soon regarding the 2009 allocation.



3695 Desatoya Drive Carson City, NV 89701 | p: 775-887-1795 | f: 775-887-1798

TDD: 800-545-1833 ext.545 | nvrural.org | help@nvrural.org



The MCC Program, like the bond programs, stimulates the economy throughout the housing industry. Housing programs also help jurisdictions enhance their economic growth and maintain or increase their tax base.

For first-time homebuyers, 2009 may be the best year ever to buy a home. Interest rates are favorable; we are seeing the lowest home prices in years, and first-time homebuyers have the ability to save thousands of dollars in the first year and throughout the life of the loan. In addition to the 20% or 30% annual savings on mortgage interest the MCC program provides, there is also a one-time \$8000 federal tax credit to families who qualify, because of the new stimulus package. This federal tax credit is now available for qualified first-time homebuyers purchasing a home between January 1 and December 1, 2009. This tax credit does not have to be repaid. Homebuyers can pair this tax credit with the newest NRHA Home at Last MCC program to provide even superior tax savings.

We have attached both a press release and a copy of a paid advertisement for this program. Would you please help us get the word out to your citizens by checking with you local paper to see if they have carried the ad and the story. The press release has been sent to all newspapers, and the ad was placed in many rural newspapers.

There have already been some press releases, but we need your help to make certain that the word gets out in your community. Please provide copies of our press release and ad to your City Supervisors and planners, and post brochures at your city offices. We would also like you to post our brochure on your website or provide a link to the NRHA website.

If you have any questions, please don't hesitate to contact our offices. Enclosed are our brochures, and NRHA's website (www.nvrural.org) has all the programs that NHRA administers. I look forward to seeing you in the near future.

Sincerely,


D. Gary Longaker
Executive Director

enclosures (ad, lender list, press release, brochures)



**Never owned
a home?
The government
would like
to change that.**

**\$10,000 in tax
credits available
for first-time
buyers.**

If you're a first-time buyer,
there is no better time to
purchase a home than
right now. Here's why:

- Nevada Rural Housing Authority's **Home at Last™** Program pays you back every year for the life of your home loan
- Huge government stimulus tax credits are like a free down payment
- Lowest home prices in years and large inventory

Thousands of dollars in government tax credits are now available exclusively to first-time buyers who meet income and credit qualifications and are looking to buy in rural Nevada.

Are you ready to go **Home at Last™**? Visit nvrural.org for more information or contact a participating lender to find out if you qualify.

Participating lenders:

Countrywide Home Loans
800-925-5268 x8333

Wells Fargo Home Mortgage
Barbara Lockard
775-623-5307

Colonial Bank
Diana Holland
775-881-1101



Getting you home
nvrural.org | (775) 887-1795



Participating MCC lenders

**Bank of America
Home Loans**
800-925-5268 x8333

Northern Nevada
Sue Barry
775-827-5545

Beverley Stewart
800-480-0051
775-770-2800

James Elvick
775-770-2900

Colonial Bank
Carole Lee Challender
Office 775-885-8222
Cell 775-671-4438

Diane Holland
775-881-1101

Hardy Mullennix
Office 775-827-7258
Cell 775-690-0725

DHI Mortgage
Nicole Nelson
916-294-6996

Mike Ognissanti
916-294-6981

Southern Nevada
Douglas D'Alessandro
702-635-3676

**Guild Mortgage
Company**
775-782-3200

Mann Mortgage
Cory Henderson
775-828-9500

MetLife Home Loans
Christine Laxague
Nancy Etchegoyhen
Mary Seidel
Sanford Lindsay
Pamela Robinson
Polly Casey
Neena Schroeder
Gloria Lee
Jill Reid
775-823-3636

**National City
Mortgage**
775-852-9878
800-748-6418

**Neighbors Financial
Corp**
James Clark
702-349-9637

Pinnacle Mortgage
Vicki St. John
775-848-1913

Prime Lending
775-448-9668
800-829-8505

**Universal American
Mortgage Company**
Brian Cushing
775-852-9980 ext 601

**Wells Fargo Home
Mortgage**
Northern Nevada
775-689-6050

Perry Faigin
775-689-6035

Joni Rose
775-850-7949

Winnemucca
Barbara Lockard
775-623-5307

Elko
Lupe Marin-Romero
775-388-3813

Southern Nevada
702-656-5512
866-550-2061



NEVADA RURAL HOUSING AUTHORITY's "Home at Last" Mortgage Credit Certificates
Earn First Time Homebuyers \$2,000 Every Year

Annual dollar-for-dollar tax credits equal 20% or 30% of mortgage interest paid for life of mortgage

CARSON CITY—First-time homebuyers across Nevada may save an estimated \$2,000 per year with "Home at Last" Mortgage Credit Certificates (MCC) issued by the Nevada Rural Housing Authority.

Eligible first-time homebuyers who qualify receive a dollar-for-dollar reduction in their federal tax liability that equates to 20% or 30% of the interest paid on a mortgage loan estimated at \$2,000 per year, depending on the size of the loan, for as long as they live in the home. Loans of \$190,000 or less receive a 30% credit and loans more than \$190,000 may receive a 20% credit. A brochure with complete program details is available from Realtors, lenders, at the Nevada Rural Housing Authority website (www.nvrural.org) or by calling (775) 887-1795 to request a mailed brochure.

"Our first-time homebuyers receive extra cash, annual tax relief and historically low mortgage interest rates," said D. Gary Longaker of Nevada Rural Housing Authority. "This program not only helps first-time buyers qualify for mortgages, it also helps them buy more house than they dreamed possible."

Dean Lucich of Wells Fargo Home Mortgage advises interested Nevadans to act quickly to combine MCCs with 2008 American Housing Rescue and Foreclosure tax credits available to qualified first time buyers who purchase a home and close escrow by June 30, 2009.

"I have seen many first time homebuyers benefit from Nevada Rural Housing Authority programs presented in recent years," said Lucich. "This new MCC program gives new homeowners an affordable monthly payment, sustainable home ownership and a dollar for dollar tax credit--not just a deduction."

Lucich added, "When you consider current housing prices, and the benefits of the Nevada Rural Housing "Home at Last" MCC program, first time buyers will be pleasantly surprised at how affordable home ownership can be."

For example, the first-time buyer of a \$120,000 home purchased at 5.5% interest would receive a 30% dollar-for-dollar income tax credit of approximately \$1,980 per year (\$165/month). A \$200,000 loan at 5.5% would receive about \$2,200 per year (\$183/month) at the 20% tax credit level. Actual benefits vary according to income, loan amount and interest rate. Homes must be priced under the maximum purchase price limits applied to the county where the property is located. A \$75 Application Fee is due at time of application and a one-time Program Participation Fee equal to 1% of the mortgage plus another \$100 is due when the loan closes. These fees may be recovered through the income tax credit within the first year and the mortgage tax credit continues for the life of the loan.

Nevada Rural Housing Authority works with lenders and Realtors throughout Nevada. "Home at Last" Mortgage Credit Certificates are available throughout Nevada cities or towns with populations equal to or less than 100,000. Participating lenders provide financing through normal VA, RHS, FHA and Conventional home loan guidelines. New and existing single-family homes, duplexes, town homes, condominiums and manufactured homes with certain restrictions are eligible properties. Certain purchase price and income restrictions adjusted by household size apply. The homebuyer must also occupy the property as their principal residence.

About Nevada Rural Housing Authority:

Nevada Rural Housing Authority was formed in 1972 to create affordable housing opportunities that enhance the quality of life in rural Nevada communities. In 2005 NRHA released its Rural Housing Needs Assessment Report that revealed economic trends, housing needs, barriers to ownership and future housing expansion opportunities. NRHA works with representatives of all Nevada rural counties to strategically forecast future housing needs in Nevada. Nevada Rural Housing Authority helped over 430 families become homeowners with its successful "Home at Last" down payment assistance program. Brochures and more details are available at NRHA's website (www.nvrural.org) or by calling (775) 887-1795.

RESOLUTION NUMBER ____

RESOLUTION OF THE BOARD OF SUPERVISORS OF CARSON CITY, NEVADA PROVIDING FOR THE TRANSFER OF THE COUNTY'S 2009 PRIVATE ACTIVITY BOND CAP TO THE NEVADA RURAL HOUSING AUTHORITY; AND OTHER MATTERS RELATED THERETO.

WHEREAS, pursuant to the provisions of Ch. 348A of the Nevada Revised Statutes ("NRS") and Ch. 348A of the Nevada Administrative Code ("NAC"), there has been allocated to Carson City, Nevada (the "County" and the "State", respectively), the amount of \$2,873,655.81 in tax-exempt private activity bond cap for calendar year 2009 ("2009 Bond Cap"); and

WHEREAS, the Nevada Rural Housing Authority ("NRHA"), has requested that the County transfer its 2009 Bond Cap to NRHA for the purpose of providing a means of financing the costs of single family residential housing that will provide decent, safe and sanitary dwellings at affordable prices for persons of low and moderate income ("Single Family Program"); and

WHEREAS, the County is a local government as defined by NAC 348A.070; and

WHEREAS, Section 348A.180 of the NAC provides a procedure whereby the County may, by resolution, transfer to any other local government located within the same county, all or any portion of its 2009 Bond Cap; and

WHEREAS, pursuant to NRS 315.983(1)(a), NRHA is an instrumentality, local government and political subdivision of the State; and

WHEREAS, NRHA is located within Carson City, pursuant to NRS 315.963, which defines NRHA's area of operation as "any area of the State which is not included within the corporate limits of a city or town having a population of 100,000 or more" ("Area of Operation"); and

WHEREAS, it is the intent of NRHA, to the extent tax-exempt private activity bond cap is available ("NRHA Bond Cap"), to match the 2009 Bond Cap transferred to NRHA pursuant to this Resolution for Single Family Program in County in accordance with the terms and conditions herein contained.

NOW, THEREFORE, the Board of Supervisors of the County does hereby find, resolve, determine and order as follows:

Section 1. Recitals. The recitals set forth herein above are true and correct in all respects.

Section 2. Transfer of Private Activity Bond Cap. Pursuant to NAC 348A.180, County hereby transfers, 2009 Bond Cap in the amount of \$2,873,655.81 to the NRHA for its Single Family Program.

Section 3. Conditions on Transfer. The transfer made in Section 2 is subject to the conditions contained within this Section. Prior to using the 2009 Bond Cap outside of County, NRHA shall, through its Single Family Programs, for a period of ninety (90) days make a commercially reasonable attempt to originate loans or issue mortgage credit certificates, as applicable, within County in an amount at least equal to the 2009 Bond Cap, plus any matching NRHA Bond Cap. After ninety (90) days of NRHA's using the 2009 Bond Cap for issuance of single family mortgage revenue bonds, or in exchange for the authority to issue mortgage credit certificates, all geographic conditions imposed by County on NRHA's use of the 2009 Bond Cap shall terminate, and NRHA shall be free to originate loans anywhere within its Area of Operation. NRHA will use the 2009 Bond Cap for single family purposes in calendar year 2009, or carry forward any remaining amount according to the tax code for such purposes.

Section 4. Representative of County. Pursuant to NAC 348A.180(1), the Director may contact Richard F. Jost, Esq., on behalf of Jones Vargas, Special counsel to County regarding this resolution at (702) 862-3383 or in writing c/o Jones Vargas, 3773 Howard Hughes Parkway, Third Floor South, Las Vegas, Nevada 89109.

Section 5. Additional Action. The Chairman and Clerk of the County are hereby authorized and directed to take all actions as necessary to effectuate the transfer of the 2009 Bond Cap, and carry out the duties of County hereunder, including the execution of all certificates pertaining to the transfer as required by NAC Ch. 348A.

Section 6. Direction to NRHA. NRHA shall notify the Director in writing as soon as practicable of the occurrence or nonoccurrence of any term or condition that would affect the disposition of the 2009 Bond Cap.

Section 7. Representative of NRHA. Pursuant to NAC 348A.180(3), the Director may contact Richard F. Jost, Esq., on behalf of Jones Vargas, counsel to NRHA regarding this resolution at (702) 862-3383 or in writing c/o Jones Vargas, 3773 Howard Hughes Parkway, Third Floor South, Las Vegas, Nevada 89109.

Section 8. Obligations of County. This Resolution is not to be construed as a pledge of the faith and credit of or by the County, or of any agency, instrumentality, or subdivision of the County. Nothing in this Resolution obligates or authorizes the County to issue bonds for any project or to grant approvals for a project or constitutes a representation that such bonds will be issued.

Section 9. Enforceability. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the

remaining provisions of this resolution. This resolution shall go into effect immediately upon its passage.

ADOPTED, SIGNED AND APPROVED this ____ day of _____, 2009.

By: _____
Robert L. Crowell, Mayor
Carson City, Nevada

ATTEST:

By: _____
Alan Glover, Clerk
Carson City, Nevada

STATE OF NEVADA

)

) ss.

COUNTY OF CARSON CITY

)

I, Alan Glover, the duly appointed and qualified Clerk of Carson City, Nevada (the "County") do hereby certify that:

The foregoing is a true and correct copy of Resolution No. ____ passed by the Board of Supervisors at a regular meeting thereof held at _____, Nevada, the regular meeting place of the Board of Supervisors, on _____, the ____ day of _____, 2009.

A true copy of the Resolution has been duly entered into the records of that meeting and signed by the Chairman and myself, as Clerk;

The foregoing pages, numbered 1 through 3, inclusive, constitute a true and correct copy of the record of proceedings of the Board of Supervisors at said meeting insofar as the proceedings relate to the Resolution;

The proceedings were duly had and taken;

All members of the Board of Supervisors were given due and proper notice of the meeting including, but not limited to, the notice required by NRS 241.020; and

The Resolution was passed by the following vote:

Those voting aye:

Those voting nay:

Those abstaining or absent:

IN WITNESS WHEREOF, I have hereunder set my hand this ____ day of _____, 2009.

Alan Glover, Clerk
Carson City, Nevada

EXHIBIT A

(Attach Copy of Notice of Meeting)

CERTIFICATE OF TRANSFER OF VOLUME CAP

I, Alan Glover, am the duly chosen and qualified County Clerk of Carson City, Nevada (the "County") and in the performance of my duties as County Clerk do hereby certify to the Office of Business Finance and Planning in accordance with Section 348A.260 of the Nevada Administrative Code ("NAC"), that the private activity bond volume cap allocated to County for 2009 in the amount of \$2,873,655.81 has been transferred as follows:

1. \$2,873,655.81 has been transferred pursuant to NAC 348A.180 from County, a local government, to the Nevada Rural Housing Authority, a local government located within Carson City for the purpose of providing a means of financing the costs of single family residential housing that will provide decent, safe and sanitary dwellings at affordable prices for persons of low and moderate income.

This certificate is being filed within five (5) days of the transfer being made in accordance with NAC 348A.260.

Alan Glover, Clerk
Carson City, Nevada

cc: w/encl

Richard F. Jost, Esq., Jones Vargas
Gary Longaker, Nevada Rural Housing Authority
