



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: April 5, 2018

Staff Contact: Lee Plemel, Community Development Director

Agenda Title: For Possible Action: To approve and authorize the Mayor to sign a letter acknowledging an application from Northern Nevada Community Housing to the State of Nevada for the use of HOME Investment Partnership Funds as part of the financing for the affordable housing project located at 680 Hot Springs Road, and that the HOME funds participation will trigger a property tax exemption; and to provide public comments regarding the project.

Staff Summary: The HOME Funds program is a grant program for building, buying, and/or rehabilitating affordable housing for rent or home ownership or providing direct rental assistance to low-income people. The proposed project would include construction of a 61-unit, multi-family, affordable housing project on the 1.97 acre property. A requirement of the HOME Funds application is that the applicant must provide evidence that the local government is aware of the project's affordable status and that the project may be awarded HOME funds and be eligible for a property tax exemption.

Agenda Action: Formal Action/Motion

Time Requested: 20 minutes

Proposed Motion

I move to approve and authorize the Mayor to sign a letter acknowledging an application from Northern Nevada Community Housing to the State of Nevada for the use of HOME Investment Partnership Funds as part of the financing for the affordable housing project located at 680 Hot Springs Road, and that the HOME funds participation will trigger a property tax exemption.

Board's Strategic Goal

Quality of Life

Previous Action

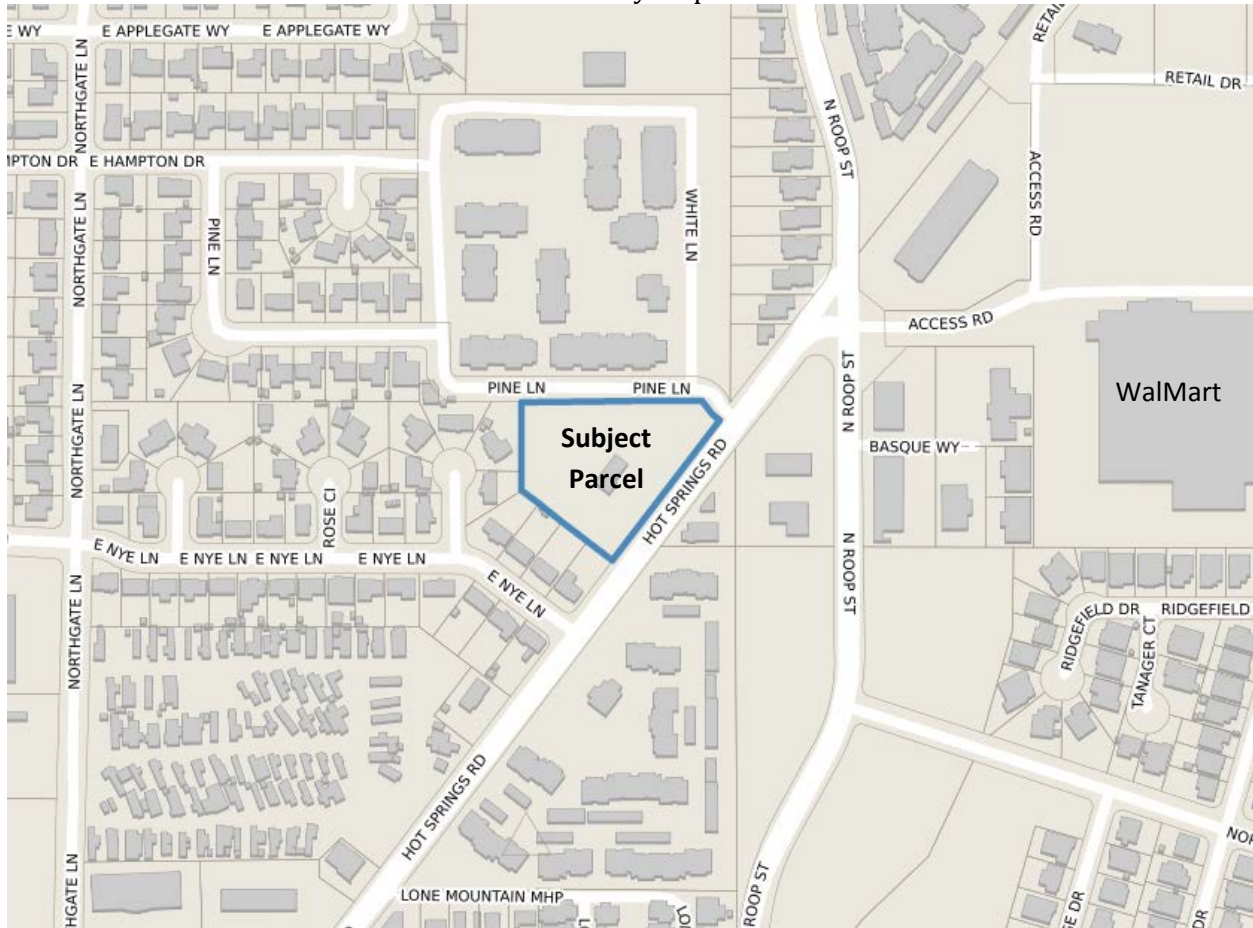
None.

Background/Issues & Analysis

The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. It is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. (Source: HUD's website.)

Attached is the draft letter of acknowledgement and a description of the proposed project. The proposed project is located on property zoned Multi-Family Apartment (MFA), which allows apartments to be built. The property is on the southwest corner of Hot Springs Road and Pine Lane, with shopping and public transportation close by. Also attached is a more detailed project description provided by the applicant.

Vicinity Map



While property tax would not be collected for the property if HOME Funds are used for the project, the funding source helps make the project affordable to lower-income households. The City has acknowledged that affordable housing is a priority in order to maintain an adequate workforce to support economic growth in Carson City, and there is currently a documented lack of availability of affordable housing options.

Also attached is a draft letter prepared by the applicant for the Community Development Director regarding their application for tax credits, another part of the financing package. A letter from the Community Development Department is required as part of that application, and is provided with this item for information and comment.

Representatives of the Northern Nevada Community Housing organization will be available at the meeting to give an overview of the proposed project and answer questions.

Contact Lee Plemel, Community Development Director, at 283-7075 or lplemel@carson.org if you have questions regarding this item.

Applicable Statute, Code, Policy, Rule or Regulation

N/A

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number: N/A

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: The property taxes collected on the subject property in FY18 was \$1,001. If the property is exempt from property tax, property tax for the new development would not be collected.

Alternatives

- 1) Do not approve the application for HOME Funds

Attachments:

- 1) Proposed letter of acknowledgement
- 2) Proposed project description
- 3) Draft Community Development letter

Board Action Taken:

Motion: _____

- 1) _____
- 2) _____

Aye/Nay

(Vote Recorded By)



CARSON CITY, NEVADA
CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

April 5, 2018

Matthew Fleming
Executive Director
Northern Nevada Community Housing
P.O. Box 20604
Reno, NV 89515

RE: Valley Springs Apartments
680 Hot Springs Road, Carson City

Dear Mr. Fleming;

As Mayor of Carson City, I would like this letter to serve as evidence of the City's support for your proposed new construction affordable housing project, Valley Springs Apartments, to be located at 680 Hot Springs Road. Carson City understands that you will be applying for HOME Investment Partnership Funds as part of your financing for this project and that the HOME funds participation will trigger a property tax exemption.

Carson City recognizes that our citizens face a shortage of affordable housing that serves household incomes at or below 50% AMI. The creation of new units of affordable housing is essential; especially projects that address the shortage of workforce housing, extremely low income and special needs housing.

Sincerely,

Robert L. Crowell
Mayor

Robert L. Crowell, Mayor
201 N. Carson Street, Suite 2 • Carson City, Nevada 89701
(775) 887-2100 • Fax: (775) 887-2286
E-mail: bcrowell@carson.org



Valley Springs Apartments

Project Address	<i>680 Hot Springs Road, Carson City, NV 89706</i>
Parcel Number	<i>002-052-12, 1.97 acres</i>
Census Tract	<i>0005.01 Middle Income Census Tract</i>

Northern Nevada Community Housing (NNCH) has secured a 1.97 acre parcel located at 680 Hot Springs Road, Carson City, Nevada, for construction of a two-phased, 61 unit, multi-family, affordable housing project. The location is an infill site and is surrounded by established single family neighborhoods, retail, restaurants, banking and public transportation. The property is zoned Multi-Family (MFA) and the proposed project would meet all density, parking and egress requirements. Phase I would consist of 28 apartment units along with a community room, office and shared amenities. The first phase of construction would also include all the site improvements and parking needed to support the second phase anticipated to be an additional 33 units of housing. NNCH is developing Valley Springs Apartments in Carson City to meet the growing demand for workforce housing, veteran and special needs housing.

Property Description

The Phase I building design allows for 28 units of affordable housing that will provide preference for veterans living under the 60% AMI standard. Three of the 28 units will be designated as eligible to household earning not more than 30% AMI; the remaining 25 units will be eligible to household incomes at or below 60% AMI with rents affordable to households at 50% AMI. Six Special Needs units are imbedded and will be offered as a priority to veterans with special needs. The unit mix will feature 15 two-bedroom apartments and 13 one-bedroom units. The building will be 3-story with elevator access.

The units will be designed around a central, gated courtyard that will offer recreation areas, play equipment and garden beds. All units will feature balconies or patios facing onto public and courtyard areas creating a sense of community and enhanced security for residents. All common areas, entrances, exits, walkways and parking areas will feature 24 hour video surveillance monitoring.

The site will feature a Community Building that houses a resident gathering area, warming kitchen, library, and exercise room as well as computer center. Management and maintenance offices will also be located in the Valley Springs Community Building. Residents will have ample on-site parking with 24-hour gated and secured access, security camera coverage and ample exterior lighting. The building will be designed to include a solar panel array that will offset at least 10% of the total property electric consumption.

Unit Design

The 15 two-bedroom units will be approximately 880 sq. ft. and include an efficient and accessible kitchen with EnergyStar appliances, fully accessible bath, ample closet space, spacious bedrooms, owner furnished washer and dryer, private patio/balcony, energy efficient heating and cooling, ceiling fans in all bedrooms, free internet and pre-wired for cable in living and bedroom areas. The 13 one-bedroom units offer similar features in an efficient 626 square foot layout. All units will enjoy access to their own individual exterior storage closet. Interior finishes are selected to promote quality living for residents as well as ensure durability and resiliency for long term maintenance. Construction will utilize low VOC materials and Nevada manufactured goods whenever possible.

Affordability

All 28 units will be offered to individuals and families earning less than 60% of Area Median Income. Additional low rent targeting will set aside 2 one-bedroom units and 1 two-bedroom unit to households with incomes at or below 30% AMI and the remaining units will set rents affordable to 50% AMI. A total of six units will be identified as Special Needs units and will be marketed through Special Needs Partners seeking permanent housing for clients in their care. All unit rents will be all inclusive of utilities and wireless internet allowing tenants to move in without having to budget for utility deposits, transfer fees, individual meter fees or account setup fees.

Special Needs and Unit Setasides

All units at Valley Springs will carry a Veteran preference and NNCH will continue their successful partnership with Veterans Resource Center of American to ensure that Veteran households and Veterans with special needs are immediately referred to Valley Springs for their housing needs. Veterans Resource Center of America is a community based veteran service agency with a 40 year history of providing veteran programs. They strive to engage veterans and their families in a process of healing and growth that celebrates their individuality, identifies all barriers to

success, mitigates those barriers, and challenges each participant to live to their utmost potential.

NNCH Property Management will provide 20 hours per week of Supportive Services program outreach and individualized processing of special needs tenants. This includes additional administrative requirements to streamline special needs tenant applications, coordination of rental subsidies from outside agencies and communication as needed with caseworkers.

All tenants, regardless of their Veteran or Special Needs status will have access to social opportunities and tenant services organized by Valley Springs management staff.

Market Conditions

The project site is located in central Carson City with convenient access to surrounding industrial parks, public transportation, shopping, medical services, schools, parks and various community services. Northern Nevada continues to struggle to meet the growing need for affordable housing. NNCH operates 13 properties in the Reno area that maintain waiting lists of up to 300 applicants per property. Their vacancy rates are at historic lows with new properties reaching full occupancy in less than 30 days. It is anticipated that demand for these new units will be extremely high.

Development Team

The development team consists of NNCH as both developer and the managing entity which consists of Matthew Fleming, Executive Director, his dedicated staff, and a very well rounded board of directors. Project management for the owner will be provided by Lisa Dayton, Dayton & Associates, LLC. Architect for Valley Springs is the locally owned firm of FormGrey Architects and General Contractor will be Sunseri Construction offering more than 30 years of experience in the construction of affordable housing. Both architect and general contractor were instrumental in the successful design and completion of Juniper Village, Hillside Meadows and Alpine Haven. NNCH has just closed on the financing for the acquisition and rehabilitation of Plaza at 4th Street and is scheduled to have this project completed before breaking ground on Valley Springs.

Development Budget & Financing

The total development budget for Valley Springs is currently estimated at approximately \$8,000,000. To finance the project NNCH is applying for \$650,000 in HOME funds and \$673,795 in 2018 Low Income Housing Tax Credits. NNCH will

seek approximately \$5,700,000 in construction financing and anticipates the completed project will carry a permanent loan of \$800,000.

Construction Schedule

NNCH would authorize completion of final building plans upon successful award of an allocation of 2018 Low Income Housing Tax Credit from Nevada Housing Division. Assuming an announcement of LIHTC award is released by Summer 2018, NNCH would work towards finalizing budgets, financing, plans and permit throughout the remainder of the year and prepare to break ground on the project by Spring 2019 with a scheduled completion in early 2020.

Contact Information

For further information on this project, please contact Matthew Fleming at (775) 337-9155 or mfleming@nnchr.org or Lisa Dayton at daytonassoc@gmail.com or (775)772-4245. Local government is encouraged to address any comments related to the project to the developer contacts noted above as well as Mark Licea, Nevada Housing Division, (702)486-5980 or mlicea@housing.nv.gov.

March 21, 2018

Mark P. Licea
Nevada Housing Division
3300 W. Sahara Ave. #300
Las Vegas, NV 89102

RE: Valley Springs Apartments, 680 Hot Springs Road, Carson City, NV

Dear Mr. Licea,

Carson City is pleased to learn that Northern Nevada Community Housing is applying for funding to build 28 units of affordable housing at 680 Hot Springs Road, Carson City. The 1.97 acre parcel is zoned multi-family and is currently underutilized. Local businesses will benefit from the new construction of safe, quality housing affordable to working families locating to the area.

The property is conveniently located near shopping, local services, transit and employment opportunities. Restricted rents will be affordable to working families who will enjoy quality housing without the pressure of higher, market rate rents. Affordable rents allow tenants to budget for shopping, medical needs, education and entertainment that put more dollars into supporting local business. Additionally, households that are not “rent burdened” are less demanding on community agencies and social services.

Carson City Community Development supports the construction of these 28 new units of housing. Please feel free to contact me should you have any questions.

Sincerely,

Lee Plemel
Community Development Director