



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** May 5, 2022

Staff Contact: Hope Sullivan, Community Development Director

Agenda Title: For Possible Action: Discussion and possible action regarding authorization for the Mayor to sign a letter acknowledging and supporting 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 the northeast and southeast corners of the intersection of North Roop Street and Northridge Drive (APNs 002-104-01 and 002-101-77), and further acknowledging that the HOME funds participation will trigger a property tax exemption. (Hope Sullivan, hsullivan@carson.org)

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 126-unit, multi-family, affordable housing project on a 4.73 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:** 5 minutes

Proposed Motion

I move to approve, and authorize the Mayor to sign, the letter as presented.

Board's Strategic Goal

Quality of Life

Previous Action

N/A

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 Retail Commercial ("RC"), which allows for residential uses subject to a special use permit. The Planning Commission will consider the special use permit at its meeting of April 27, 2022. The property is located on the northeast and southeast corners of the intersection of North Roop Street and Northridge Drive (map attached). A detailed project description provided by the applicant is attached.

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. Affordable housing is needed in Carson City in order to maintain an adequate workforce to support economic growth. There is currently a lack of availability of affordable housing options.

Applicable Statute, Code, Policy, Rule or Regulation

N/A

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Various funds to which property taxes are allocated.

Is it currently budgeted? No

Explanation of Fiscal Impact: The property taxes collected on the subject property in Fiscal Year ("FY") 2022 was \$3,900.62. If the property is exempt from property tax, property tax for the new development would not be collected.

Alternatives

Do not approve the Mayor to sign the letter as presented.

Attachments:

[Govt Support ltr.docx](#)

[Eagles Landing Project Narrative.pdf](#)

[Map_Attachment.pdf](#)

Board Action Taken:

Motion: _____	1) _____	Aye/Nay
	2) _____	_____

(Vote Recorded By)

March 29, 2022

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

RE: Eagles Landing Apartments, Phase 1-4
Roop x Northridge, 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, Eagles Landing Apartments, to be located at Roop x Northridge parcels 002-104-01 & 002-101-77. I understand 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 60% 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,

Lori Bagwell
Mayor

**Eagles Landing
 Phased Affordable Housing Project
 April 20, 2022**

*Project Location: Roop x Northridge, Carson City, Nevada
 Parcels: 002-104-01 (2.27 acres) & 002-101-77 (2.46 acre)
 Census Tract: 0005.01 Middle Income*

Northern Nevada Community Housing (NNCH) has acquired the above-mentioned parcels for the purpose of developing multi-phased affordable housing serving households at 30-60% of area median income.

Based on preliminary designs it is anticipated that each parcel can be developed with 63 units of housing for a total final build out of 126 units. The project has been designed to allow phased development of between 30-33 units per year. Each parcel will offer a mix of one and two-bedroom units, shared amenities and a tot lot. Development costs per phase range from roughly \$10.4MM to \$11.8MM for a combined total build estimated at \$43.7MM (based on current market conditions).

Roop Street Development Phase Summary					Project Totals
Parcel	1	1	2	2	
Phase	1	2	3	4	
Units	30	33	33	30	126
Sq. Ftg.	29400 sq. ft.	29080 sq. ft.	32030 sq. ft.	27350 sq. ft.	117,860 sq. ft.
Total Development Budget	\$ 11,129,699	\$ 10,405,390	\$ 11,735,767	\$ 10,393,175	\$ 43,664,031
Project Sources					
LIHTC	\$ 8,477,902	\$ 7,768,887	\$ 7,768,887	\$ 7,768,887	\$ 31,784,563
HOME	\$ 420,145	\$ 500,000	\$ 650,000	\$ 500,000	\$ 2,070,145
NHTF	\$ 1,231,652	\$ 900,000	\$ 1,500,000	\$ 900,000	\$ 4,531,652
Perm Debt	\$ 1,000,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 4,600,000
NNCH Loan	\$ -		\$ 600,000		\$ 600,000
Deferred Fee	\$ -	\$ 36,503	\$ 16,880	\$ 24,288	\$ 77,671
Total Sources	\$ 11,129,699	\$ 10,405,390	\$ 11,735,767	\$ 10,393,175	\$ 43,664,031

Note: Sources & Uses are preliminary estimates based on current market conditions.

Property Description

The Phased build will ultimately provide up to 126 units of affordable housing that will provide preference for veterans living under the 60% AMI standard. Eagles Landing will set aside 20% of the total units to serve special needs populations. Included in this set aside will be a selection of 30% AMI units reserved homeless or at risk of homeless households. The remaining units will carry a veteran preference with rents at 50-60% AMI. The buildings will be 3-story with elevator access.

The site will be equipped with recreation areas, play equipment and picnic/barbeque areas and all units will have private balconies or patios. All common areas, entrances, exits, walkways and parking areas will feature 24-hour video surveillance monitoring.

Phase 1 will include a Community Building that houses a resident gathering area, warming kitchen, computer center and on-site management offices. Residents will have ample on-site parking with 24-hour security camera coverage and ample exterior lighting. Each phase will be designed to include a solar panel array that will offset at least 20% of the total property electric consumption.

Unit Design

The two-bedroom units will be approximately 850 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, free internet and pre-wired for cable in living and bedroom areas. The one-bedroom units offer similar features in an efficient 650 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 units will be offered to individuals and families earning 30% to 60% of Area Median Income. 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 Services

All units at Eagles Landing will carry a Veteran preference and NNCH will continue their successful partnerships with the Veteran's Administration to ensure that Veteran

households and Veterans with special needs are immediately referred to Eagles Landing for their housing needs.

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 Eagles Landing 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.

Renters in Northern Nevada continue to face a shortage of descent, safe, affordable housing. NNCH operates 14 properties in the Reno/Sparks/Carson City areas 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 Time Frame

NNCH will apply for the initial round of funding to support Phase 1 in May 2022. Assuming successful award of funds, the project would break ground in Spring 2023. Conservative timing estimates assume that NNCH would repeat this funding cycle to apply for Phase 2 funding in 2023, Phase 3 in 2024 and Phase 4 in 2025. However, State of Nevada has announced \$500MM in HOME ARPA funds that may become available for developers to apply for as early as July 2022. This new funding stream could accelerate the timeline allowing construction of multiple phases in the same year.

