

Staff Report

Date: February 9, 2021

To: Technical Review Committee, Washoe County HOME Consortium

From: Housing and Neighborhood Development Division, City of Reno

Subject: 2nd PUBLIC HEARING: PRESENTATION, DISCUSSION AND REVIEW OF APPLICATIONS FOR 2021/2022 HOME AND AFFORDABLE HOUSING TRUST FUND GRANT FUNDING BY APPLICANTS (For Possible Action)

This is the second of three public hearings by the Technical Review Committee (TRC) to review applications for affordable housing projects and programs funded by federal and state HOME Partnership (HOME) funding, and state Affordable Housing Trust Funds (AHTF). The TRC will make a funding recommendation at the third public hearing scheduled for March 9, 2021.

Table 1 below describes the sources of funding that will be available in the 2021/2022 program year, which is subject to change. The HOME funds are estimated based upon funding received for the FY2020/2021 program year until staff receives confirmation from the Department of Housing and Urban Development (HUD) and the Nevada Housing Division (NHD), which historically has occurred in the spring. It is noted there was a slight increase to our State HOME allocation for FY2020/2021 and it is anticipated this will be the funding available for FY2021/2022. Program income is available for new projects and programs; the estimated amount is based upon program income currently available for allocation.

Table 1. 2021/2022 Estimated Washoe County HOME Consortium Funding

Federal HOME Allocation available for AHMLP (<i>estimated</i>):	\$1,057,043
Min. CHDO set aside (<i>estimated</i>):	\$ 211,409
Nevada State HOME Allocation (<i>estimated</i>):	\$ 277,217
Nevada Affordable Housing Trust Funds (<i>estimated</i>):	\$ 598,468
Program Income (<i>estimated</i>):	\$ 200,744
Total estimated:	\$2,344,881

Tenant Based Rental Assistance Applications

Tenant based rental assistance programs (TBRA) provide funding for qualifying households to pay for the security/utility deposits, application fees, and sometimes monthly rental assistance for homeless individuals and families in order to move into permanent housing. The City of Reno operates a Rental and Deposit Assistance program that allows assistance to be used throughout Washoe County. The City of Reno Rental and Deposit Assistance Program is designed as a one-time only grant assistance to provide resources for the application, security and utility deposits as well as rental assistance for permanent housing to eligible households that are currently homeless. Case managers at the homeless shelter have a network of resources available to help clients find available housing and the clients are allowed to keep any deposit that is returned to them once they leave the unit. No other applications were received.

The Consortium has made it a practice to use Affordable Housing Trust Funds (AHTF) for TBRA programs, the amount below in Table 2 equals the total amount of AHTF funding that was awarded for State FY2021; it is anticipated funding will remain the same in SFY2022. AHTF awarded through the State has less restrictive TBRA regulations that allows the WCHC to target individuals with extremely low- or no income, whereas HOME funds do not. The WCHC also has the ability to use AHTF for new construction or rehabilitation projects; however, due to the pandemic, requests for TBRA assistance has increased 160% and it is recommended that AHTF continue to fund TBRA.

Table 2. Rental Assistance Program Applications

Applicant	Program Name	Requested Amount
City of Reno	Rental and Deposit Assistance	\$598,468

New Construction and Rehabilitation Applications

Table 3 below shows the applications received for new construction and rehabilitation of affordable housing. There are five (5) new housing construction and three (3) housing rehabilitation applications. There are no forward commitment requests. Four of the applicants, Green Street Development, Silver Sage Manor, Ridge House, and Northern Nevada Community Housing have prior experience in affordable housing and have previously received funds from the Washoe County HOME Consortium (WCHC). The applicants for the projects Pinewood Terrace and Centennial Park and Attivare are first-time WCHC applicants; however, they have experience in affordable housing and have provided the requisite application referrals. All of the new construction and rehabilitation requests are HOME eligible activities.

Table 3. New Construction and Housing Rehabilitation Applications

Project	Proposed HOME Units	Affordability Period	Other Units	Home Funds Requested	Per Unity Subsidy (Home Units Only)
Attivare Sr. Apts. New Construction	4 – 1 bd 50% AMI 2 – 2 bd 50% AMI	20 years	162 (60% AMI)	\$250,000 3% interest loan	\$41,667 (proposed) HUD max: 1 bd = \$182,652 2 bd = \$222,107
Centennial Park Rehab	2 – units not specified, SOW states work will be to replace building siding	35 years	48 (50% AMI)	\$185,000 3% interest loan	\$85,000 (proposed)
Orovada St. – Sr. Apts. New Construction	2 – 1 bd 30% AMI 7 – 1 bd 50% AMI 1 – 2 bd 30% AMI 1 – 1 bd 50% AMI **changed number of units in 1/12/21 meeting presentation	50 years	29 (30 - 50% AMI)	\$1,500,000 3% simple interest loan	\$136,363.64 (proposed) HUD max: 1 bd = \$182,652 2 bd = \$222,107
Pinewood Terrace Rehab	3 – units not specified, SOW states work will be to replace building siding	35 years	47 (50% AMI)	\$185,000 3% interest loan	\$61,667 (proposed)
Ridge House on Everett Rehab	1 – 30% AMI Group home with 10 rooms	15 years	0	\$155,588.72 0% interest grant	\$155,588.72/unit \$15,558.87/room
Truckee Heights – NNCH New Construction	4 – 1 bd 30% AMI 1 – 1 bd 50% AMI 6 – 2 bd 50% AMI	50 years	29 (50% AMI)	\$2,100,000 3% interest loan	\$190,909 (proposed) HUD max: 1 bd = \$191,548 2 bd = \$234,873
Vintage at Spanish Springs – Sr. Apts. New Construction	5 – 1 bd 50% AMI	20 years	191 (60% AMI)	\$250,000 2.5% interest loan	\$50,000 (proposed) HUD max: \$182,652
Washington & Vine Sr. Apts. New Construction	5 studios 45% AMI	30 years	158 (60% AMI)	\$100,000 2.5% interest loan	\$20,000 (proposed) HUD max: \$159,327

**Attivare Sr. Apts.
WCHC Funding Priorities**

<u>Level I Priorities</u>	<u>Review</u>
<p>The average rent for all HOME units is at or below 40% of the AMI for family units, and at or below 45% of AMI for senior projects.</p>	<p>Proposed HOME Units @ 50% AMI, non-HOME units @ 60% AMI.</p> <p>Does not meet this priority, nor does it meet application mix of proposed HOME units of five (5) or more to include at least one unit/bedroom type @30% AMI.</p>
<p>Project provides supportive services, or owner/manager partners with a service provider to provide supportive services.</p>	<p>Numerous social activities to be provided at “little to no cost” to residents. Third-party professions will be contracted with to provide lifestyle, financial, and computer courses to name a few. On-line services via 365 Connect will be provided at no cost to tenants.</p> <p>Meets priority.</p>
<u>Level II Priorities</u>	
<p>Project is accessible and located near public transportation options</p>	<p>Bus stop less than 1 mile, 1 mile to grocery/shopping center that includes medical and dental (Sky Vista/Lemmon Dr.).</p> <p>Meets priority.</p>
<p>Project contains one or more green components above and beyond the minimum energy efficiency requirements</p>	<p>High efficiency heating & cooling equipment, Energy star appliances, high-R walls. Xeriscape landscaping. No discussion if project will be Energy Star Certified nor if building meets State of Nevada energy requirements.</p> <p>Most likely meets priority.</p>
<p>Project addresses one or more objectives of the current Consolidated Plan for the region</p>	<p>Noted Reno ConPlan goals to expand/preserve affordable housing; secure permanent affordable housing for 1,000 seniors; and create accessible housing for persons with disabilities located near transit and services.</p> <p>Meets priority.</p>
<p>Project addresses one or more objectives of the current Regional Plan</p>	<p>Regional Plan goals were not specifically addressed in project narrative; however, meets the priority of promoting availability of needed housing at price ranges and rent levels with are commensurate with financial capabilities of the region’s households. Allows for flexibility in housing location, type, and density.</p> <p>Meets priority.</p>
<p>Project is a mixed income/use project.</p>	<p>Project is 11 HOME units @ 50% AMI and 162 units at 60% AMI.</p> <p>Does not meet mixed income priority.</p> <p>Project is not a mixed use site; however, commercial business are within one (1) mile of site.</p>

**Centennial Park Apts.
WCHC Funding Priorities**

<u>Level I Priorities</u>	<u>Review</u>
<p>The average rent for all HOME units is at or below 40% of the AMI for family units, and at or below 45% of AMI for senior projects.</p>	<p>Rehab project, funding requested for building siding replacement. Project will designate 2 units HOME Units @ 50% AMI: entire site is 50% AMI Section 8 housing (40 units total). Does not meet this priority.</p>
<p>Project provides supportive services, or owner/manager partners with a service provider to provide supportive services.</p>	<p>Social events, after school programs, resume and tutoring help, computer training at no cost to tenants. Plans to hire provider for services, agreements currently not in place. Meets priority.</p>
<u>Level II Priorities</u>	
<p>Project is accessible and located near public transportation options</p>	<p>Bus stops less than 1/3 mile (Sutro/Timber, Sutro/Oliver, Wedekind/Montello): less than 1.5 mile to commercial/retail/grocery. Meets priority.</p>
<p>Project contains one or more green components above and beyond the minimum energy efficiency requirements</p>	<p>Narrative states replacement of property components with "Energy Star systems", but not specific. States project will not be Energy Star Certified; will meet State of Nevada energy requirements. Possibly meets priority.</p>
<p>Project addresses one or more objectives of the current Consolidated Plan for the region</p>	<p>Noted Reno ConPlan goals to preserve and maintain affordable housing and provide affordable housing to due Section 8 rent to income ratio restrictions. Meets priority.</p>
<p>Project addresses one or more objectives of the current Regional Plan</p>	<p>Regional Plan goals were not specifically addressed in project narrative; however, meets the priority of promoting availability of needed housing at price ranges and rent levels with are commensurate with financial capabilities of the region's households. Allows for flexibility in housing location, type, and density. Meets priority.</p>
<p>Project is a mixed income/use project.</p>	<p>Rehab project, funding requested for building siding replacement. Project will designate 2 units @ 50% AMI; all units are 50% AMI, Section 8 housing. Does not meet mixed income priority. Project is not a mixed-use site; however, commercial/retail/grocery businesses are within one (1) mile of site.</p>

**Everett House
WCHC Funding Priorities**

<u>Level I Priorities</u>	<u>Review</u>
The average rent for all HOME units is at or below 40% of the AMI for family units, and at or below 45% of AMI for senior projects.	<i>Proposed rehab of six (6) bedroom group home. All will be HOME Units @ 30% AMI. Meets this priority and meets application mix of proposed HOME units of five (5) or more to include at least one unit of each bedroom type @ 30% AMI.</i>
Project provides supportive services, or owner/manager partners with a service provider to provide supportive services.	<i>Comprehensive, wrap around services will be provided by Ridge House staff. Counseling, life skills, resume development, case management to name some of the listed services. Meets priority.</i>
<u>Level II Priorities</u>	
Project is accessible and located near public transportation options	<i>Bus stops less than 1/4 mile, less than 1-1/2 mile to various commercial, retail, major grocery; medical clinics/dental within 2 miles. Meets priority.</i>
Project contains one or more green components above and beyond the minimum energy efficiency requirements	<i>Energy star appliances will be purchased. Project will have NV Energy perform Energy Assessment on property. Narrative does not state if building meets State of Nevada energy requirements. May meet priority.</i>
Project addresses one or more objectives of the current Consolidated Plan for the region	<i>Noted Reno ConPlan goals to support quality living environments of homeless, low-income households, and persons with disabilities; support organizations that provide supportive services to low-income, homeless, and special needs residents; assist persons who are homeless obtain housing; and increase economic opportunities for area residents and businesses. Meets priority.</i>
Project addresses one or more objectives of the current Regional Plan	<i>Regional Plan goals were not specifically addressed in project narrative; however, meets the priority of promoting availability of needed housing at price ranges and rent levels with are commensurate with financial capabilities of the region's households. Allows for flexibility in housing location, type, and density. Meets priority.</i>
Project is a mixed income/use project.	<i>Proposed rehab of six (6) bedroom group home. All will be HOME Units @ 30% AMI. Does not meet mixed income priority. Project is not a mixed use site; however, commercial business are within one (1) mile of site.</i>

**Orovada Sr. Apts.
WCHC Funding Priorities**

<u>Level I Priorities</u>	<u>Review</u>
The average rent for all HOME units is at or below 40% of the AMI for family units, and at or below 45% of AMI for senior projects.	<i>Proposed HOME Units: 2-1bd @ 30% AMI; 7-1bd @ 50% AMI; 1-2bd @ 30% AMI; 1-2bd @ 50% AMI Meets this priority and application mix of proposed HOME units of five (5) or more to include at least one unit/bedroom type @ 30% AMI. ** Units proposed were updated at 1/12/21 TRC meeting.</i>
Project provides supportive services, or owner/manager partners with a service provider to provide supportive services.	<i>Proposed on-site Service Coordinator. Services noted: food delivery through nutrition programs, annual flu shot clinics, transportation assistance, health/financial/computer workshop, and various social activities. Meets priority.</i>
<u>Level II Priorities</u>	
Project is accessible and located near public transportation options	<i>Bus stop at Orovado and Silverado Blvd. Commercial, retail, grocery, and banking within less than 1/5th mile of project. Meets priority.</i>
Project contains one or more green components above and beyond the minimum energy efficiency requirements	<i>High efficiency heating & cooling equipment, Energy star appliances, high-R walls. Xeriscape landscaping. Apartments will be Energy Star Certified and building will meet State of Nevada New Construction Energy Requirements as outlined in the 2021 Qualified Allocation Plan. Meets priority.</i>
Project addresses one or more objectives of the current Consolidated Plan for the region	<i>Noted Reno ConPlan goals to expand/preserve affordable housing; stabilize neighborhoods and increase appropriate housing opportunities for low- and moderate-income households; Provide housing with supportive services; provide housing for homeless persons or persons at risk of becoming homeless. Meets priority.</i>
Project addresses one or more objectives of the current Regional Plan	<i>Regional Plan goals were not specifically addressed in project narrative (Washoe County Master Plan goals were referenced); however, meets the priority of promoting availability of needed housing at price ranges and rent levels with are commensurate with financial capabilities of the region's households. Allows for flexibility in housing location, type, and density. Meets priority.</i>
Project is a mixed income/use project.	<i>Project is 11 HOME units @ 30%/50% AMI and 29 units at 30%-50% AMI. Does not meet mixed income priority. Project is not a mixed-use site; however, commercial business are within one (1) mile of site. ** Units proposed were updated at 1/12/21 TRC meeting.</i>

**Pinewood Terrace Apts.
WCHC Funding Priorities**

<u>Level I Priorities</u>	<u>Review</u>
<p>The average rent for all HOME units is at or below 40% of the AMI for family units, and at or below 45% of AMI for senior projects.</p>	<p>Rehab project, funding requested for building siding replacement. Project will designate 3 units as HOME units @ 50% AMI: entire site is 50% AMI Section 8 housing (50 units total). Does not meet this priority.</p>
<p>Project provides supportive services, or owner/manager partners with a service provider to provide supportive services.</p>	<p>Social events, after school programs, resume and tutoring help, computer training at no cost to tenants. Plans to hire provider for services, agreements currently not in place. Meets priority.</p>
<u>Level II Priorities</u>	
<p>Project is accessible and located near public transportation options</p>	<p>Bus stop less than 1/4 mile (Neil Rd/Riley Ave): less than 1 mile to commercial/retail. Meets priority.</p>
<p>Project contains one or more green components above and beyond the minimum energy efficiency requirements</p>	<p>Narrative states replacement of property components with "Energy Star systems", but not specific. States project will not be Energy Star Certified; will meet State of Nevada energy requirements. Possibly meets priority.</p>
<p>Project addresses one or more objectives of the current Consolidated Plan for the region</p>	<p>Noted Reno ConPlan goals to preserve and maintain affordable housing and provide affordable housing to due Section 8 rent to income ratio restrictions. Meets priority.</p>
<p>Project addresses one or more objectives of the current Regional Plan</p>	<p>Regional Plan goals were not specifically addressed in project narrative; however, meets the priority of promoting availability of needed housing at price ranges and rent levels with are commensurate with financial capabilities of the region's households. Allows for flexibility in housing location, type, and density. Meets priority.</p>
<p>Project is a mixed income/use project.</p>	<p>Rehab project, funding requested for building siding replacement. Project will designate 3 units as HOME units @ 50% AMI; all units are 50% AMI, Section 8. Does not meet mixed income priority. Project is not a mixed use site; however, commercial business are within one (1) mile of site.</p>

**Truckee Heights Apts.
WCHC Funding Priorities**

<u>Level I Priorities</u>	<u>Review</u>
The average rent for all HOME units is at or below 40% of the AMI for family units, and at or below 45% of AMI for senior projects.	<i>Proposed HOME Units 4-1bd @ 30% AMI, 1-1bd @ 50% AMI, 6-2bd @ 50% AMI; non-HOME units @ 50% AMI. Does not meet this priority (average above 40%), nor does it meet application mix of proposed HOME units of five (5) or more to include at least one unit of each bedroom type @ 30% AMI.</i>
Project provides supportive services, or owner/manager partners with a service provider to provide supportive services.	<i>Partner with VA for supportive services for veterans, project will accept VASH vouchers. Special Needs Partner to provide case management, parenting classes, financial, and educational assistance. NA/AA/GA meetings, GED prep and test, resume building, interview prep. Meets priority.</i>
<u>Level II Priorities</u>	
Project is accessible and located near public transportation options	<i>Bus stop less than 1/4 mile, less than 1 mile to various commercial. Major grocery less than 1-1/2 miles, medical clinics/dental within 2 miles. Daycare, elementary and high schools within 1 mile. Meets priority.</i>
Project contains one or more green components above and beyond the minimum energy efficiency requirements	<i>High efficiency heating & cooling equipment, Energy star appliances. Xeriscape landscaping. Solar panels. Project will be Energy Star Certified does not state if building meets State of Nevada energy requirements. Most likely meets priority.</i>
Project addresses one or more objectives of the current Consolidated Plan for the region	<i>Noted Reno ConPlan goals to expand/preserve affordable housing; secure permanent affordable housing for 1,000 seniors; and create accessible housing for persons with disabilities located near transit and services. Meets priority.</i>
Project addresses one or more objectives of the current Regional Plan	<i>Regional Plan goals were not specifically addressed in project narrative; however, meets the priority of promoting availability of needed housing at price ranges and rent levels with are commensurate with financial capabilities of the region's households. Allows for flexibility in housing location, type, and density. Meets priority.</i>
Project is a mixed income/use project.	<i>Project is 11 HOME units @ 30-50% AMI and 29 units at 50% AMI. Does not meet mixed income priority. Project is not a mixed use site; however, commercial business are within one (1) mile of site.</i>

**Vintage at Spanish Springs Sr. Apts.
WCHC Funding Priorities**

<u>Level I Priorities</u>	<u>Review</u>
The average rent for all HOME units is at or below 40% of the AMI for family units, and at or below 45% of AMI for senior projects.	<i>Proposed HOME Units @ 50% AMI, non-HOME units @ 60% AMI. Does not meet this priority, nor does it meet application mix of proposed HOME units of five (5) or more to include at least one unit/bedroom type @30% AMI.</i>
Project provides supportive services, or owner/manager partners with a service provider to provide supportive services.	<i>Numerous social/fitness activities to be provided to residents. Third-party professions will be contracted with to provide lifestyle, financial, and computer courses to name a few. Did not answer if services will be provided for a fee or free. Meets priority.</i>
<u>Level II Priorities</u>	
Project is accessible and located near public transportation options	<i>Bus stop more than 7 miles away; possibly able to use FlexRIDE. Less than 1 mile to grocery/shopping center that includes restaurants and banking (Pyramid/Eagle Canyon/La Posada). Potentially meets priority.</i>
Project contains one or more green components above and beyond the minimum energy efficiency requirements	<i>High efficiency heating & cooling equipment, Energy star appliances, high-R walls. Xeriscape landscaping. No discussion if project will be Energy Star Certified; narrative states project will meet State of Nevada energy requirements. Most likely meets priority.</i>
Project addresses one or more objectives of the current Consolidated Plan for the region	<i>Noted Reno ConPlan goals to expand/preserve affordable housing; secure permanent affordable housing for 1,000 seniors; and create accessible housing for persons with disabilities located near transit and services. Meets priority.</i>
Project addresses one or more objectives of the current Regional Plan	<i>Regional Plan goals were not specifically addressed in project narrative; however, meets the priority of promoting availability of needed housing at price ranges and rent levels with are commensurate with financial capabilities of the region's households. Allows for flexibility in housing location, type, and density. Meets priority.</i>
Project is a mixed income/use project.	<i>Project is 5 HOME units @ 50% AMI and 191 units at 60% AMI. Does not meet mixed income priority. Project is not a mixed use site; however, commercial business are within one (1) mile of site.</i>

**Washington and Vine Sr. Apts.
WCHC Funding Priorities**

<u>Level I Priorities</u>	<u>Review</u>
<p>The average rent for all HOME units is at or below 40% of the AMI for family units, and at or below 45% of AMI for senior projects.</p>	<p>Proposed HOME Units 5 studios @ 45% AMI, non-HOME units @ 60% AMI. Meets this priority. Does not meet application mix of proposed HOME units of five (5) or more to include at least one unit/bedroom type @30% AMI.</p>
<p>Project provides supportive services, or owner/manager partners with a service provider to provide supportive services.</p>	<p>Numerous social/fitness activities to be provided to residents. Third-party professions will be contracted with to provide lifestyle, financial, and computer courses to name a few. Services will be provided “at little or no cost”. Meets priority.</p>
<u>Level II Priorities</u>	
<p>Project is accessible and located near public transportation options</p>	<p>Bus stops less than .1 mile away at Washington & 2nd and Washington & 4th. Less than 1 mile to grocery/shopping center that includes restaurants and banking (Keystone & 4th). Various commercial/medical within less than 1 mile. Meets priority.</p>
<p>Project contains one or more green components above and beyond the minimum energy efficiency requirements</p>	<p>Energy star appliances, solar panels. Narrative states project will meet State of Nevada energy requirements. Meets priority.</p>
<p>Project addresses one or more objectives of the current Consolidated Plan for the region</p>	<p>Noted Reno ConPlan goals to expand/preserve affordable housing; secure permanent affordable housing for 1,000 seniors; and create accessible housing for persons with disabilities located near transit and services. Meets priority.</p>
<p>Project addresses one or more objectives of the current Regional Plan</p>	<p>Regional Plan goals were not specifically addressed in project narrative; however, meets the priority of promoting availability of needed housing at price ranges and rent levels with are commensurate with financial capabilities of the region’s households. Allows for flexibility in housing location, type, and density. Meets priority.</p>
<p>Project is a mixed income/use project.</p>	<p>Project is 5 HOME units/studios @ 45% AMI and 158 units at 60% AMI. Does not meet mixed income priority. Project is not a mixed use site; however, commercial/retail/medical are within one (1) mile of site.</p>

In addition to the funding priority review, the following HUD HOME requirements should be considered in making allocations. Per HUD guidelines a minimum of \$1,000/unit subsidy is required for a project to be considered a HOME project. In addition to the minimum, HUD sets a maximum subsidy per unit that can be allocated to the project. The subsidy per unit is *only* on the designated HOME units and not calculated on the project as a whole unless all project units will be HOME designated units. HUD publishes the maximum subsidy each year, the HUD maximum subsidy noted in Table 3 is based upon the rates published effective June 2020. With the changes introduced by the Orovada project during the January 12, 2021 TRC meeting, all projects fall below the HUD HOME maximum subsidy per unit.

Another item for consideration is the project timeline as it relates to HUD regulations and funding availability. The TRC project recommendations are for funding for the FY2021/2022 year. In a normal process year, HUD funding is provided effective July 1. Per HUD Environmental Review requirements in 24 CFR 58, the Consortium must conduct a review of the project and any potential environmental impacts. For new construction projects, this process called an Environmental Assessment can take up to at least 120 days (four months) to complete before HUD provides an Authorization to Use Grant Funds (AUGF). The AUGF must be received before the consortium can sign any funding agreements and before the project begins. While the Environmental Review process can begin prior to the HUD grant effective date, the process cannot begin so early as to trigger Pre-Award costs provisions without additional staff review. It is recommended that each project discuss the ability to work within the Environmental Review and AUGF process.

Table 4. Community Housing and Development Organizations (CHDOs) Recertification Requests

Agency Name	Project Address	Operating Assistance Requested
Ridge House	900 W First Street Reno, NV	None - recertification only
Northern Nevada Community Housing	1090 East Eighth Street Reno, NV	None - recertification only

There are two agencies that are recertifying as Community Housing Development Organizations (CHDO), as shown in Table 4 above. At least 15 percent of HOME Program funds (noted in Table 1) must be set aside for specific activities to be undertaken by CHDOS, which is a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. In order to qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience.

With Participating Jurisdiction (PJ) approval, CHDOs may use HOME funds for all eligible HOME activities. However, in order to count towards the 15 percent set-aside, a CHDO must act as the

owner, developer, or sponsor of a project that is an eligible set-aside activity. These eligible set-aside activities include: the acquisition and/or rehabilitation of rental housing; new construction of rental housing; acquisition and/or rehabilitation of homebuyer properties; new construction of homebuyer properties; and direct financial assistance to purchasers of HOME-assisted housing that has been developed with HOME funds by the CHDO. Both agencies recertifying as a CHDO are applying for rehabilitation or new construction funding and qualify as a CHDO set-aside project.

In addition, HOME regulations allow for the Consortium to use up to five percent of each year's HOME allocation for general operating assistance to Community Housing Development Organizations (CHDOs) that receive set-aside funds for an activity, but it is not a required set-aside. Neither agency recertifying as a CHDO has requested operating expenses. Funding that could have been allocated for CHDO operating expenses has been included in the estimate for AHMLP projects in Table 1.

It is recommended both Ridge House and Northern Nevada Community Housing be recertified as a CHDO and their projects outlined in Table 3 be considered for a CHDO set-aside activity.