

**WASHOE COUNTY HOME CONSORTIUM (WCHC) TECHNICAL REVIEW
COMMITTEE (TRC) MEETING**

DRAFT MINUTES

**Tuesday, March 9, 2021, 8:30 A.M.
Meeting via Teleconference**

MEMBERS:

Claudia Hanson
Technical Staff
City of Reno
Chair

Rebecca Kapuler
Washoe County
Citizen
Representative
Vice Chair

Ian Crittenden
Technical Staff
City of Sparks

Eric Young
Technical Staff
Washoe County

Chohnny Sousa
Truckee Meadows
Regional Planning
Technical Staff

Chuck Reno
Reno Citizen
Representative

T Tran
Sparks Citizen
Representative

Vacant
At-Large Representative

1. CALL MEETING TO ORDER AND ROLL CALL (For Possible Action)

Meeting called to order at 8:31 a.m. by Kebecca Kapuler. Members present when the meeting was called to order: Rebecca Kapuler, Ian Crittenden, Chohnny Sousa, Chuck Reno, T Tran.

Claudia Hanson not present. Eric Young joined late at 8:53 a.m.

2. PUBLIC COMMENT (This item is for either public comment on any action item or for any general public comment.)

E-mail submitted on February 19, 2021, by Hillary Lopez, Praxis Consulting, was read into the record. A copy is attached. It was noted this e-mail was provided to the TRC prior to the meeting and included as an attachment to the Item 5. staff report.

Hillary Lopez was present and commented she submitted another email on Tuesday morning prior to the meeting, but it contained the same information as the email that was read into the record.

3. APPROVAL OF AGENDA (For Possible Action) – March 9, 2021

Member Crittenden motioned to approve the Agenda, Member Sousa seconded; the motion carried unanimously.

4. APPROVAL OF MINUTES (For Possible Action) – February 9, 2021

Member Tran motioned to approve the Minutes, Member Reno seconded; the motion carried unanimously.

5. 3rd PUBLIC HEARING: REVIEW, DISCUSSION AND POSSIBLE APPROVAL OF CHDO RECERTIFICATION AND PROJECT FUNDING RECOMMENDATIONS FOR FY2021/2022 HOME AND AFFORDABLE HOUSING TRUST FUNDS (For Possible Action)

Tracy Wheeler presented this item. Ms. Wheeler outlined funding available and applications received for Tenant Based Rental Assistance, Community Housing Development Organization (CHDO) recertification, CHDO set aside, and New Construction and Rehabilitation of Rental Housing.

Member Kapuler went through each application providing opportunity to comment at each.

Monica Cochran introduced herself and was available for questions in respect to the Tenant Based Rental Assistance. There were none.

Member Kapuler asked if there were any questions in respect to the Community Housing Development Organization recertifications. There were none. Member Kapuler moved to the New Construction and Rehabilitation loan applications.

Harry “Chip” Hobson, Silver Sage Manor, provided public comment in support of the alternate funding options submitted by Hillary Lopez read into Public Comment. Mr. Hobson commented his support for lower allocations as read into the public record and allowing consideration of late applications. Mr. Hobson noted that they hope to have a viable project commenting on the challenges of securing all funding needed for a 9% project. Chuck Reno requested clarification on the \$50,000 minimum award recommendation and where that number was established. Tracy Wheeler noted that the minimum was established by the Technical Review Committed, approved by the Directors, and is outlined in the Policies and Procedures dated August 23, 2019. Member Reno asked Mr. Hobson what their total project funding is and can they move their project forward with the HOME funding recommended. Mr. Hobson stated the total construction budget is \$10,500,000 and the HOME Consortium funding is critical to the project. Most of the funding will come from tax credits, but HOME funding, anticipated Federal Home Loan

Bank HP funds, and deferred developer fees will make up the gap. Member Reno asked Mr. Hobson is uncertain if they can move their project forward if the TRC moved forward with the staff report recommendation because they do not know if they have enough gap funding. Mr. Hobson commented they believe they have a viable project, but if they are not able to receive HP funds or if costs increase there is a possibility they could come back to request more funding due to their concession of \$250,000 from their initial request.

Mr. Hobson also noted that the Policy and Procedures posted on the website was the 2018 guidelines that included minimum funding of \$1,000. Tracy Wheeler clarified that the \$1,000 minimum is a HUD regulatory minimum, but the Consortium set a minimum funding level at \$50,000 which is within HUD's guidelines.

Dane Hillyard, Greenstreet, thanked the TRC and staff on all their work. Mr. Hillyard commented that the three public meetings are too cumbersome on developers and advocated for lowering the funding amounts establishing a set-aside for the 4% projects. Mr. Hillyard asked that it be placed on the Directors meeting agenda and commented they would like to be part of the discussion on the overall process. Tracy Wheeler noted that any changes have to go through the TRC prior to the Directors and would like to start that process at the next meeting in the hopes to have an improved or enhance process before the next applications are available in the fall. Mr. Hillyard again offered their participation in any meetings or discussion. Member Kapuler thanked Mr. Hillyard for his input commenting that it is always a good thing to look at process improvement. Member Kapuler asked if there were any questions for Dane. There were none.

Chuck Reno thanked the projects for working together to figure out a good plan and that everybody gets funding to develop as much affordable housing as possible. Member Reno made the motion to approve the Nevada Affordable Housing Trust Fund to the City of Reno for rental deposit assistance, CHDO recertification of Ridge House and Northern Nevada Community Housing; CHDO set-aside funding in the amount of \$20,970.50 as a Pre-development loan for Northern Nevada Community Housing's Truckee Heights project; project loan funding in the amount of \$50,000 each for Attivare Senior Apartments, Centennial Park Rehab, Pinewood Terrace Rehab, Vintage at Spanish Springs Senior Apartments, and Washington and Vine Senior Apartments, and project loan funding in the amount of \$1,285,000 for Orovada Street Senior Apartments. Ian Crittenden seconded; the motion carried unanimously.

6. TECHNICAL REVIEW COMMITTEE ITEMS AND ANNOUNCEMENTS:

TRC members have an opportunity to raise issues for discussion at future meetings, as well as make announcements

Member Reno asked about getting an accounting on the total amount of housing that has been funded the Consortium. Member Kapuler requested staff to point them to where they could find that information. Tracy Wheeler commented that information was included in

the staff report explaining that the City works with the Nevada Housing Division to inspect all of the properties along with annual recertifications of units. Ms. Wheeler noted that there are approximately 6,100 units in then inventory that is inspected and 825 of those unites were funded with HOME or Low-Income Housing Trust Funds. The inventory is being updated as new projects close financing and complete construction. Ms. Wheeler also noted about 230 of the units are senior housing.

Member Sousa noted that TMRPA completed the regional strategy for housing affordability and beginning work looking at affordable housing and subsidized housing. Member Kapuler asked if that could be shared when completed and Member Sousa agreed.

Member Young noted that Washoe County will be moving forward with establishing the Trust Fund outside of the Consortium and will not be needing agenda items for that process. Member Kapuler requested he keep the TRC informed as they move forward and Member Young agreed. Member Young also commented that he looks forward to discussing the process and suggested that it is more serious than playing around this this process. Member Young will be requesting an outside consultant look at the process noting he does not expect it to happen in a year and is in support of making some simple changes for next year but would like more than that.

Kapuler announced the Regional Transportation Commission is finalizing the 2050 Regional Transportation Plan and will be an item March. All board agendas are posted on RTCwashoe.com

7. STAFF TECHNICAL SUPPORT UPDATE: Staff may provide an update on projects, funding or other programmatic issues

Tracy Wheeler commented on Member Reno's request for more information in respect to the HOME units. Ms. Wheeler noted that inspections were delayed due to COVID, but there is a lengthy report that she would like to bring back to the TRC.

Ms. Wheeler also reminded developers that the City of Reno has an Affordable Housing Reduction and Subsidization of fees where affordable housing can have their sewer fees and building fees waived. Ms. Wheeler reminded applicants that the process does take time and if they are interested, they are encouraged to apply sooner rather than closer to their closing or when they will start building.

Ms. Wheeler noted they will be bringing back process commenting that staff has spoken with the Nevada Housing Division and reviewing process in southern Nevada. Ms. Wheeler stated there are opportunities for corrections and changes and they want to review everything as well as consult with HUD. Ms. Wheeler thanked everyone for their collaboration and they will be opening things up for discussions.

8. PUBLIC COMMENT (This item is for either public comment on any action item or for any general public comment.)

Hilary Lopez thanked everyone for their effort and thanked staff for the willingness to discuss and consider an off-cycle bond set aside. Ms. Lopez also commented the desire to begin discussions as soon as possible as she believes the annual cycle is a stumbling block to some developers being able to move forward with financing and investment assurances.

9. ADJOURNMENT (For Possible Action)

The meeting was adjourned at 9:27 am.

DRAFT



Tracy Wheeler <wheelert@reno.gov>

Proposals for the TRC

1 message

Hilary Lopez <hilary@praxisreno.com>

Fri, Feb 19, 2021 at 8:58 AM

To: Tracy Wheeler <wheelert@reno.gov>

Cc: Dane Hillyard <daneo@me.com>, Jim Zaccheo <jimzaccheo@yahoo.com>, "kdainty@integraprop.com"

<kdainty@integraprop.com>, Matthew Fleming <mfleming@nnch.org>, "daytonassoc@gmail.com"

<daytonassoc@gmail.com>, Chip Hobson <hobsonc@sbcglobal.net>, Eric Novak <eric@praxisreno.com>, John Carlisi

<jacarlisi@gmail.com>, DAVID COLE <HQ@cmhctx.org>

Tracy:

Per the TRC's request, attached please find revised funding requests for the listed projects. I was asked to submit these, along with the below information, on behalf of the applicants copied on this email. As also requested by the TRC, the group arrived at these funding amounts/scenarios collectively and the reduced requests are reflective of everyone's desire for the HOME Consortium to support as many of these important projects as possible.

You'll note that the group provided two potential proposals to the TRC. The first proposal provides a minimum of \$50,000 to each bond project in accordance with the minimum funding amount indicated on the application. The second proposal reduces the amount of funds awarded to bond projects to \$10,000, exceeding the \$1,000 per assisted unit minimum stated in the HOME Consortium Standard Operating Policies and Procedures. The resulting extra funds in this scenario 1) boost the amount for Orovada Seniors closer to its original funding request and 2) would create a small set aside of funds for off-cycle bond projects. With the 4% tax credit rate now fixed at 4 percent, the submitted bond projects are able to substantially reduce their requests as they only need a small amount of HOME funds to access the property tax exemption. The on-going property tax exemption is necessary for the financial viability of the bond projects.

Further, an off-cycle set aside is important because, while the current HOME funding cycle aligns well with the 9% LIHTC application, the once-a-year cycle makes it difficult for many bond projects to move forward within the timeframes needed for land sellers, investors, and lenders. This, ultimately, results in less new or preserved affordable housing for our region at a time when it is increasingly needed. In the first funding scenario, we are requesting that the TRC recommend creating this set aside and using any newly received program income after this funding cycle and prior to the next funding cycle, up to \$100,000, for this set aside. While we understand that the TRC will need to further discuss the process for accessing set aside funds at a future meeting, creating and identifying funding for the set aside now and getting the Director's approval at least allows a mechanism for the set aside to begin prior to the next funding cycle.

Additionally, as discussed in prior hearings, the 2018 Consolidated Appropriations Act (P.L. 115-141) increased the amount of 9% Low Income Housing Credits available to states each year by 12.5% for years 2018 through 2021. This has enabled the Nevada Housing Division to fund additional projects in recent years. Providing HOME funding to Orovada Senior Apartments and Truckee Heights allows both projects to submit competitive applications to NHD for 9% tax credits and gives Washoe County the rare opportunity to get two developments funded while still enabling the Consortium to meet its CHDO set aside requirements.

We look forward to further discussing the revised funding requests with the TRC at the upcoming hearing and working with the group to find ways, both now and for the future, to support the creation and preservation of as many housing units as possible. We appreciate the opportunity to submit the attached and be involved participants in this process.

Respectfully,

Silver Sage Manor, GreenStreet, Commonwealth, NNCH, and Integra



Proposed Funding for TRC from Applicants.xlsx

11K

Reduced funding requests to the TRC

| Project* | Requested | Proposal #1 | Proposal #2 |
|------------------------------------|-----------------------|--------------------|--------------------|
| Orovada | \$ 1,500,000 | \$ 1,285,004 | \$ 1,435,004 |
| Truckee Heights | \$ 2,100,000 | \$ 211,409 | \$ 211,409 |
| Spanish Springs | \$ 250,000 | \$ 50,000 | \$ 10,000 |
| Washington and Vine | \$ 100,000 | \$ 50,000 | \$ 10,000 |
| Pinewood Terrace | \$ 185,000 | \$ 50,000 | \$ 10,000 |
| Centennial Park | \$ 185,000 | \$ 50,000 | \$ 10,000 |
| Attivare | \$ 250,000 | \$ 50,000 | \$ 10,000 |
| Off-Cycle Bond Project Set Aside** | \$ - | See Note | \$ 50,000 |
| Rental Assistance | \$ 598,468 | \$ 598,468 | \$ 598,468 |
| <i>Total</i> | \$ 5,168,468 | \$ 2,344,881 | \$ 2,344,881 |
| <i>Total Available</i> | \$ 2,344,881 | \$ 2,344,881 | \$ 2,344,881 |
| Difference | \$ (2,823,587) | \$ - | \$ - |

*Ridge House indicated they will be withdrawing their application this round to allow other projects to proceed.

**Set aside funded through program income as it becomes available up to \$100,000