

Staff Report

Date: March 8, 2022

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 2022/2023 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) grant funding, and state Affordable Housing Trust Funds (AHTF). The TRC will make a funding recommendation at the third public hearing tentatively scheduled for April 5, 2022. Table 1 below describes the sources of funding that will be available in the 2022/2023 program year, which is subject to change.

The HOME funds are estimated based upon funding received for the FY2021/2022 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. 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

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|--|--------------------|
| Federal HOME Allocation available for AHMLP <i>(estimated)</i> : | \$1,048,524 |
| Min. CHDO set aside <i>(estimated)</i> : | \$ 398,439 |
| Nevada State HOME Allocation <i>(estimated)</i> : | \$ 268,156 |
| Nevada Affordable Housing Trust Funds <i>(estimated)</i> : | \$ 655,263 |
| Program Income <i>(estimated)</i> : | \$ 200,000 |
| Total estimated: | \$2,570,382 |

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 two programs that allow rental assistance to be used throughout Washoe County. 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 have 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 have increased and it is recommended that AHTF continue to fund TBRA.

Table 2. Rental Assistance Program Applications

| Applicant | Program Name | Requested Amount |
|------------------|---|-------------------------|
| City of Reno | a. Deposit Assistance b. Rapid Rehousing | \$655,263 |

1. The **City of Reno Deposit Assistance Program** is designed as a one-time only grant assistance to provide resources for the application, security and utility deposits for permanent housing to eligible households that are currently homeless. Housing Navigators at the homeless shelter, and other community agencies, have a network of resources available to help clients find available housing. Clients are allowed to keep any deposit that is returned to them once they leave the unit.
2. **The City of Reno Rapid Rehousing Program** connects families and individuals staying at the homeless shelter to permanent housing. Case managers at the homeless shelter refer clients to this program, which provides up to 12 months of rental assistance. This funding is also used in conjunction with The Reno Works program. Reno Works is a job training program in which participant’s partner with the City of Reno Public Works Department in order to gain employment experience while transitioning out of homelessness.

New Construction and Rehabilitation Applications

Table 3 below shows the applications received for new construction and rehabilitation of affordable housing. There are seven (7) new housing construction and one (1) housing rehabilitation applications. There are no forward commitment requests. 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) |
|---|---|-----------------------------|---------------------------------|--|---|
| Chocolate Drive Sun Valley, NV New Construction | 6- 50% AMI floating units 2- 1 bd 2- 2 bd 2-3 bed | 30 years | 234 (60% AMI) | \$200,000 3% interest loan | \$33,333/unit |
| Copper Mesa New Construction | 4 - 50 % AMI floating units 1- 1 bd 1- 2 bd 1- 3 bd 1-4 bd | 30 years | 276 (60% AMI) | \$50,000 1.5% interest loan | \$12,500 |
| Dandini North Apartments. New Construction | 5- 50% AMI floating units 1- 1bd 3- 2bd 1- 3 bd | N/A | 279 (60% AMI) | \$50,000 3% interest loan | \$10,000/unit |
| Everett House Remodel | 1- 30% AMI Group home with 10 beds | 15 years | 0 | \$194,500 0% interest grant | \$194,500/unit \$19,450/bed |
| Marvel Way Phase II New Construction | 5- 3 at 30% AMI, 2 at 50% AMI floating units 1- studio 3- 1bd 1-2bd | 50 years | 39 (50% AMI and 30% AMI) | \$750,000 3% interest loan | \$150,000 (proposed) |
| Pinyon Apartments New Construction | 5 -50% AMI floating units 4-1 bd 1-2bd | 20 years | 245 (60% AMI) | \$50,000 1.5% interest loan | \$10,000 (proposed) HUD max: \$182,652 |
| The Ridge at Sun Valley New Construction | 3 - 50 % AMI floating units 1-1bd 1-2bd 1-3 bd | 30 years | 192 (50-60% AMI) | \$50,000 1.5% interest loan | \$16,667 (proposed) |

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|---------------------|--|----------|---------------|--------------------------------|---------------------|
| Vintage at Redfield | 5 – 50% AMI floating units 4-1 bd 1-2 bd | 20 years | 225 (60% AMI) | \$50,000 2.5% interest loan | \$10,000 (proposed) |
|---------------------|--|----------|---------------|--------------------------------|---------------------|

**Chocolate Drive
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 new construction of 240 units, 6 HOME units at 50% AMI.</i> <i>Does not meet this priority.</i> |
| Project provides supportive services, or owner/manager partners with a service provider to provide supportive services. | <i>No supportive services planned.</i> <i>Does not meet this priority.</i> |
| <u>Level II Priorities</u> | |
| Project is accessible and located near public transportation options | <i>Bus stops approximately .5 miles. Approximately 1 mile to various commercial, retail, major grocery; medical clinics/dental within 1 mile.</i> <i>Meets priority</i> |
| Project contains one or more green components above and beyond the minimum energy efficiency requirements | <i>Application states it would meet requirements; however was not specific.</i> <i>May meet priority</i> |
| Project addresses one or more objectives of the current Consolidated Plan for the region | <i>Meets the following goal: Preserve & Develop Affordable Housing</i> <i>Meets priority.</i> |
| Project addresses one or more objectives of the current Regional Plan | <i>Meets the following objective: Promoting availability of needed housing at price ranges and rent levels which are commensurate with financial capabilities of the region's households. Allows for flexibility in housing location, type, and density.</i> <i>Meets priority.</i> |

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| Project is a mixed income/use project. | 100% Affordable, rental housing only. Does not meet this priority |
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**Copper Mesa Apartments
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. | Proposed new construction of 280 units. 4 HOME units at 50% AMI. Does not meet this priority. |
| Project provides supportive services, or owner/manager partners with a service provider to provide supportive services. | Proposes partnering with 3rd party to provide computer training, financial services. On-site staff to provide activities such as BBQ's, movies, holiday parties, vaccination clinics. Needs clarification, may meet priority. |
| <u>Level II Priorities</u> | |
| Project is accessible and located near public transportation options | Nearest bus stop is 2 miles away at Stead Blvd. & Silver Lake Rd. Closest grocery store and shopping HUB is 4 miles away. Is accessible to freeways. Does not meet priority. |
| Project contains one or more green components above and beyond the minimum energy efficiency requirements | Project is a certified Energy Star rated development. Meets priority. |
| Project addresses one or more objectives of the current Consolidated Plan for the region | Meets the following goal: Preserve & Develop Affordable Housing Meets priority. |

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| Project addresses one or more objectives of the current Regional Plan | <i>Meets the following objective: Promoting availability of needed housing at price ranges and rent levels which are commensurate with financial capabilities of the region's households. Allows for flexibility in housing location, type, and density.</i> <i>Meets priority.</i> |
| Project is a mixed income/use project. | <i>Project is 100% affordable, rental housing only.</i> <i>Does not meet priority.</i> |

**Dandini North Apartments
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 new construction of 284 units. Project will designate 5 units as HOME units @ 50% AMI.</i> <i>Does not meet this priority.</i> |
| Project provides supportive services, or owner/manager partners with a service provider to provide supportive services. | <i>Project proposes social activities; however no supportive services are noted.</i> <i>Does not meet priority.</i> |
| <u>Level II Priorities</u> | |
| Project is accessible and located near public transportation options | <i>Bus stop less than 1/4 mile (Neil Rd/Riley Ave): less than 1 mile to commercial/retail.</i> <i>Meets priority.</i> |
| Project contains one or more green components above and beyond the minimum energy efficiency requirements | <i>Application states Energy Star appliances and rated windows. Additionally, project states it will meet or exceed requirements of NHD</i> <i>Meets priority.</i> |
| Project addresses one or more objectives of the current Consolidated Plan for the region | <i>Meets the following goal: Preserve & Develop Affordable Housing</i> <i>Meets priority.</i> |

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| Project addresses one or more objectives of the current Regional Plan | <i>Meets the following objective: Promoting availability of needed housing at price ranges and rent levels which are commensurate with financial capabilities of the region's households. Allows for flexibility in housing location, type, and density.</i> <i>Meets priority.</i> |
| Project is a mixed income/use project. | <i>Project is 100% Affordable, rental housing only</i> <i>Does not meet priority</i> |

**Everett Street Remodel
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.</i> <i>Meets priority.</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.</i> <i>Meets priority.</i> |
| <u>Level II Priorities</u> | |
| Project is accessible and located near public transportation options | <i>Bus stops less than 1/3 mile: less than 1.0 mile to commercial/retail/grocery.</i> <i>Meets priority.</i> |
| Project contains one or more green components above and beyond the minimum energy efficiency requirements | <i>Narrative states Energy Star appliances, and project will have an Energy Assessment performed by NV Energy</i> <i>Possibly meets priority.</i> |
| Project addresses one or more objectives of the current Consolidated Plan for the region | <i>Meets the following goal: Preserve & Develop Affordable Housing</i> <i>Meets priority.</i> |

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| Project addresses one or more objectives of the current Regional Plan | <i>Meets the following objective: Promoting availability of needed housing at price ranges and rent levels which are commensurate with financial capabilities of the region's households. Allows for flexibility in housing location, type, and density.</i> <i>Meets priority.</i> |
| Project is a mixed income/use project. | <i>Project is 100% Affordable, rental housing only</i> <i>Does not meet priority</i> |

**Marvel Way Apartments Phase II
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>Yes, proposed HOME units average under 40% AMI</i> <i>Meets priority</i> |
| Project provides supportive services, or owner/manager partners with a service provider to provide supportive services. | <i>Project is recovery housing. Services coordinator on-site; detailed description of service provision.</i> <i>Meets priority.</i> |
| <u>Level II Priorities</u> | |
| Project is accessible and located near public transportation options | <i>Bus stops less than .25 miles. Access to grocery shopping/restaurants within 1 mile.</i> <i>Meets priority.</i> |
| Project contains one or more green components above and beyond the minimum energy efficiency requirements | <i>Narrative states project will meet State of Nevada energy requirements.</i> <i>Meets priority.</i> |
| Project addresses one or more objectives of the current Consolidated Plan for the region | <i>Meets the following goal: Preserve & Develop Affordable Housing</i> <i>Meets priority.</i> |

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| Project addresses one or more objectives of the current Regional Plan | <i>Meets the following objective: Promoting availability of needed housing at price ranges and rent levels which are commensurate with financial capabilities of the region's households. Allows for flexibility in housing location, type, and density.</i> <i>Meets priority.</i> |
| Project is a mixed income/use project. | <i>Project is 100% Affordable, rental housing only</i> <i>Does not meet priority</i> |

**Pinyon Apartments
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 average 50% AMI</i> <i>Does not meet this priority</i> |
| Project provides supportive services, or owner/manager partners with a service provider to provide supportive services. | <i>Social activities are proposed, but no supportive service activities noted</i> <i>Does not meet priority.</i> |
| <u>Level II Priorities</u> | |
| Project is accessible and located near public transportation options | <i>Bus stop is .25 miles away. Access to grocery shopping/restaurants less than 1 mile</i> <i>Meets priority</i> |
| Project contains one or more green components above and beyond the minimum energy efficiency requirements | <i>Application description is brief. States Energy Star appliances and rated windows. States will meet or exceed requirements of NHD</i> <i>Most likely meets priority.</i> |
| Project addresses one or more objectives of the current Consolidated Plan for the region | <i>Meets the following goal: Preserve & Develop Affordable Housing</i> <i>Meets priority.</i> |

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|---|--|
| Project addresses one or more objectives of the current Regional Plan | <i>Meets the following objective: Promoting availability of needed housing at price ranges and rent levels which are commensurate with financial capabilities of the region's households. Allows for flexibility in housing location, type, and density.</i> <i>Meets priority.</i> |
| Project is a mixed income/use project. | <i>Project is 100% Affordable, rental housing only</i> <i>Does not meet priority</i> |

**The Ridge at Sun Valley
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 average 50% AMI</i> <i>Does not meet priority</i> |
| Project provides supportive services, or owner/manager partners with a service provider to provide supportive services. | <i>Proposed 3rd party to provide computer training, financial services. On-site staff to provide activities such as BBQ's, movies, holiday parties, vaccination clinics.</i> <i>Need clarification may meet priority.</i> |
| <u>Level II Priorities</u> | |
| Project is accessible and located near public transportation options | <i>Bus stop .25 miles away. Access to grocery/shopping/restaurants less than 1 mile away</i> |
| Project contains one or more green components above and beyond the minimum energy efficiency requirements | <i>Yes, will be built to NHD's requirements as outlined in the QAP process.</i> <i>Meets priority.</i> |
| Project addresses one or more objectives of the current Consolidated Plan for the region | <i>Meets the following goal: Preserve & Develop Affordable Housing</i> <i>Meets priority.</i> |
| Project addresses one or more objectives of the current Regional Plan | <i>Meets the following objective: Promoting availability of needed housing at price ranges and rent levels which are commensurate with financial capabilities of the region's households. Allows for flexibility in housing location, type, and density.</i> <i>Meets priority.</i> |

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| Project is a mixed income/use project. | Project is 100% Affordable, rental housing only Does not meet priority |
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**Vintage at Redfield
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. | Proposed HOME units average 50% AMI Does not meet priority |
| Project provides supportive services, or owner/manager partners with a service provider to provide supportive services. | Proposed 3rd party to provide help with healthy lifestyle choices, nutritional education, positive relationships, financial education, insurance choices, and computer training. Need clarification may meet priority. |
| <u>Level II Priorities</u> | |
| Project is accessible and located near public transportation options | Bus stop less than .25 miles, less than 1 mile to grocery/shopping restaurants Meets priority. |
| Project contains one or more green components above and beyond the minimum energy efficiency requirements | Will be build to NHD high energy efficiency standards Meets priority. |
| Project addresses one or more objectives of the current Consolidated Plan for the region | Meets the following goal: Preserve & Develop Affordable Housing Meets priority. |
| Project addresses one or more objectives of the current Regional Plan | Meets the following objective: Promoting availability of needed housing at price ranges and rent levels which are commensurate with financial capabilities of the region's households. Allows for flexibility in housing location, type, and density. Meets priority. |
| Project is a mixed income/use project. | Project is 100% Affordable, rental housing only Does not meet priority |

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 |
| Community Services Agency and Development Corporation | 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 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.

The Consortium may 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. CHDOs are eligible for operating funds for a maximum of four years within the first five years of initial CHDO certification, or through the completion of two CHDO set-aside projects. Operating assistance is intended for newly-created CHDOs, with the intention that the agency will become self-sufficient after five years. The agency must also be approved for a CHDO set-aside development project or demonstrate that a CHDO project is planned.

The costs must be reasonable and necessary for the operation of the agency. Per the HOME Final Rule 24 CFR Part 92.300, CHDO operating assistance may be used for the following: *Salaries, wages, benefits and other employee compensation; capacity-building for the organization related to a specific future set-aside project; employee education, training, and travel to perform the job or carry out the functions related to the organization; including office rent and utilities, communication costs, taxes and insurance, equipment, materials, and supplies.*

Staff has reviewed the recertification materials for both the Ridge House and CSADC and has determined that both organizations have the proper organizational mission, board structure, and staff members that can develop and sponsor affordable housing development, and thus meet the

requirements to be recognized as CHDOs. Neither organization 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.