

AGENDA ITEM DEVELOPMENT REPORT

**OFFICE OF THE COUNTY MANAGER
CLARK COUNTY, NEVADA**

AIDR No.: 3725

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Date: 03/06/2024

Agenda Date: 3/19/2024

Originating
Department: Admin Services/Community Housing

Contact/Ext: Dagny Stapleton/ 702-455-5747

Issue: **ANNUAL HUD/ HOME ALLOCATION-
AFFORDABLE HOUSING FUNDING**

Subject/Title:

Conduct a Public Hearing to select FY 2024-2025 HOME Investment Partnerships (HOME) and Account for Affordable Housing Trust Fund (AAHTF) projects.

Recommended Action:

That the Board of County Commissioners conduct a Public Hearing on Tuesday, March 19, 2024, at 10:00 a.m. to review project recommendations of Staff and the Community Development Advisory Committee (CDAC), and select discretionary projects for inclusion in Clark County's application to the U.S. Department of Housing and Urban Development (HUD) and to the State of Nevada's Housing Division for a total of approximately \$9,898,519 in FY 2024-2025 HOME/AAHTF program monies and prior years of unspent funds for reallocation; authorize staff to prepare and submit the applications per HUD and State of Nevada deadlines and requirements; and authorize the County Manager or designee to execute any necessary agreements.

Summary:

The Board of County Commissioners will conduct a public hearing on Tuesday, March 19, 2024, at 10:00 a.m. to select the projects for inclusion in the County's application to the Department of Housing and Urban Development for Home Investment Partnerships (HOME) monies; select projects to be funded with anticipated HOME and/or AAHTF funds received from the State of Nevada; and incorporate projects that will use uncommitted/unexpended funds from prior years and program income. Specifically, the HUD HOME/AAHTF funding application will be incorporated into the FY2024-2025 HUD Action Plan.

Application by Clark County to HUD will entitle Clark County HOME Consortium (Urban County) to receive \$4,693,841 in FY2024-2025 federal HOME monies. Application to the State of Nevada will entitle the consortium to receive an estimated additional \$675,482 in FY2024-2025 HOME funds, plus an estimated \$4,004,906 in AAHTF funds for an estimated total of \$9,374,229 in new funding. Funding in the amount of \$5,407,007 from program income and unexpended funding from prior years were made available for FY2024-2025 projects, bringing the total estimated funding availability for allocation to \$14,781,236. The table summarizes the sources of funds:

TABLE 1
SOURCES OF FUNDS

Source	Fiscal Year	Amount
*Federal HOME	FY 2024-2025	\$4,693,841
*State HOME	FY 2024-2025	\$675,482
*AAHTF	FY 2024-2025	\$4,004,906
Unexpended funding and program income	Varies	\$5,407,007
<i>*Estimated</i>	Total	\$14,781,236

Pursuant to the Resolution Adopting the Interlocal Cooperative agreement FY2021 – FY2023, and other federal statutory requirements, shares of FY2024-2025 HOME/AAHTF funds (\$9,374,229) shall be allocated among the members of the Clark County HOME Consortium (Urban County) as follows: Clark County--84% (estimated funds: \$7,905,710) and the City of North Las Vegas--16% (estimated funds: \$1,468,519).

HUD regulations require that Community Housing Development Organizations (CHDOs) receive a minimum of 15% of the HOME funds. Members of the Consortium have agreed to distribute this responsibility proportionately among them, with each entity funding a pro-rata share of the CHDO obligation. The Consortium's estimated FY2024-2025 CHDO requirement, including the obligation relating to the State HOME funds, is estimated at \$805,398.

According to HOME regulations, the County may take 10% of the FY2024-2025 HOME funds for program administration. Therefore, Clark County will allocate \$395,853 of its share for administration. The City of North Las Vegas may allocate 10% for administration out of its respective share at \$73,510. Per the County's anticipated agreement with the State of Nevada, no additional State HOME funds will be available for program administration.

Since 1994, Clark County has annually received an allocation of funds from the State's Account for Affordable Housing Trust Fund (AAHTF), which has acted as match for the HOME program. Except for administrative and CHDO operating funds, HOME funds must have a 25% non-federal match for funds drawn from the jurisdiction's HOME Investment Partnerships Program account in that fiscal year. These match funds are used towards housing that qualifies as affordable housing under the federal HOME program.

The HOME and AAHTF programs are designed to expand the supply of affordable housing in the community. Depending on the amount and type of subsidy employed and the source of the subsidy, assisted housing units must remain affordable and available to low-income eligible households for a period of twenty (20) years. Furthermore, some funding sources require that subsidies be recaptured by Clark County upon the sale of the assisted units.

Citizen Participation & Discretionary Project Recommendations:

On October 18, 2023, Clark County advertised for entities to apply for HOME/AHTF funds for projects undertaking affordable housing activities. Program manuals, application forms and access to technical assistance was made available to the public. The application deadline for submission was December 11, 2023.

On January 16, 2024, the Community Development Advisory Committee (CDAC) convened to receive presentations and materials from representatives for applicants for the ten (10) applications that were received. Clark County staff presented all projects and applicants that were present answered questions from CDAC members and staff.

On February 20, 2024, CDAC met to discuss funding priorities and voted to recommend that seven (7) of the ten (10) proposed projects receive full funding, and that the remaining (3) receive funding if additional funding is made available. Following that, staff undertook an underwriting analysis of each project to determine risk and financial viability and is recommending that (2) of the (10) projects not move forward. Finally, since the initial publication of the HOME application there are additional funds now available due to two previously-awarded projects declining HOME funding.

The final staff recommendation in the table below reflects the CDAC recommendations in order of priority, and also considers project financial viability and the availability of additional funds.

TABLE 2
SUBMITTED AND RECOMMENDED DISCRETIONARY PROJECTS

Priority	Organization	Project	Funding Request	CDAC Recommendation	Final Staff Recommendation
1	HELP of Southern Nevada	Tropicana Trails	\$1,000,000	\$1,000,000	\$1,000,000
2	Nevada H.A.N.D., Inc.	Pearson Pines	\$1,000,000	\$1,000,000	\$1,000,000
3	Accessible Space Inc.	Stepping Stone Apartments II	\$1,830,790	\$1,830,790	\$1,830,790
4	KG Development Group	A Place to Call Home	\$750,000	\$750,000	0
5	Wisconsin Partnership for Housing Development	Laughlin Senior Apartments	\$800,000	\$800,000	\$800,000
6	McCormack Baron Salazar, Inc.	1632 Yale St aka Old Rose Garden	\$1,500,000	\$1,500,000	\$1,500,000
7	George Gekakis, Inc.	Volunteer and Gilesie	\$1,800,000	\$1,519,210	\$1,800,000
8	KG Development Group	Boulder City UMC Project	\$750,000	0	0
9	NRP Lone Star Development LLC	Pecos Apartments	\$1,000,000	0	\$1,000,000
10	Ulysses Development Group LLC	North Haven Apartments	\$1,500,000	0	0
		Totals		\$8,400,000	\$8,930,790

The following is a brief summary of the discretionary projects that were received, and reviewed along with the recommended funding:

1. HELP of Southern Nevada

Tropicana Trails

Requested: \$1,000,000

Recommended: \$1,000,000

A nonprofit – joint venture was recommended for \$1,000,000 in funds to assist with the joint development/new construction of 48 - studio units and 2 - one-bedroom units of Permanent Supportive Housing (PSH) for residents who have experienced homelessness. All of the units will be designated for those at or below 30% AMI. This project will be located on Boulder Hwy. south of East Tropicana Blvd. in the unincorporated area of Clark County.

2. Nevada H.A.N.D., Inc.

Pearson Pines

Requested: \$1,000,000

Recommended: \$1,000,000

A nonprofit was recommended for \$1,000,000 in funds to assist with the new construction of a proposed 60-unit apartment project designed for senior occupancy. The project would contain 36 – one-bedroom units and 24 – two-bedroom units. All units are between 30% and 50% AMI. This project will be located on W. Carey Ave. and N. Martin Luther King Blvd. in the City of North Las Vegas.

3. Accessible Space, Inc.

Stepping Stone Apartments II

Requested: \$1,830,790

Recommended: \$1,830,790

A nonprofit was recommended for \$1,830,790 in funds to assist with the new construction of a proposed 10-unit apartment project designed for occupancy of adults with brain injury. The project would contain 10 – studio units in which all units are 30% AMI. This project will be located on E. Owens Ave. and Betty Lane in the unincorporated area of Clark County.

4. KG Development Group

A Place to Call Home

Requested: \$750,000

Recommended: \$0

A nonprofit – joint venture was recommended for \$750,000 in funds to assist with A Place to Call Home, a 50-unit intergenerational housing for Grandparents and Youth Aging out of foster care. The development will include a health clinic, daycare center and urban farm. All units designated for 30-50 percent AMI- 25% of the units for those at 30% AMI, 15% at 40% AMI and remaining units at 50% AMI. This project will be located at 3460 N Rancho Drive in the City of Las Vegas. The County identified several concerns with this project through our underwriting process, including financial capacity of the organization and lack of sufficient project cashflow.

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Wisconsin Partnership for Housing Development

Laughlin Senior Apartments

Requested: \$800,000

Recommended: \$800,000

A nonprofit - joint venture was recommended for \$800,000 in funds to assist with the new construction of a proposed 36-unit apartment project designed for senior occupancy. The project would contain 30 – one-bedroom units and 6 – two-bedroom units. All units are between 30% and 60% AMI. This project will be located on Needles Hwy and Rio Vista Drive in the unincorporated area of Clark County.

5. McCormack Baron Salazar, Inc.

1632 Yale St.

Requested: \$1,500,000

Recommended: \$1,500,000

A nonprofit - joint venture was recommended for \$1,500,000 in funds to assist with the new construction of a proposed 192-unit apartment project designed for senior occupancy. The project would contain 180 – one-bedroom units and 12 – two-bedroom units. All units are between 30% and 60% AMI. This project will be located on Main St and E. Tonopah Ave. in the City of North Las Vegas.

6. George Gekakis, Inc.

Volunteer and Giles pie

Requested: \$1,800,000

Recommended: \$1,800,000

A nonprofit - joint venture was recommended for \$1,800,000 in funds to assist with the new construction of a proposed 188-unit apartment project designed for family-occupancy. The project would contain 56 – one-bedroom units, 67 – two-bedroom units, and 65 – three-bedroom units. All units are between 30% and 80% AMI. This project will be located on the corner of Volunteer and Giles pie in the City of Henderson.

7. KG Development Group

Boulder City UMC

Requested: \$750,000

Recommended: \$0

A nonprofit – joint venture was recommended for \$750,000 in funds to assist with Boulder City UMC Project, a 60-unit apartment projects designed for seniors. All units designated for 30-60 percent AMI. This project will be located at 400 Utah Street in Boulder City. The County identified several concerns with this project through our underwriting process, including financial capacity of the organization and lack of sufficient project cashflow.

9. NRP Lone Star Development, Inc.

Pecos Apartment

Requested: \$1,000,000

Recommended: \$1,000,000

A for-profit was recommended for \$1,000,000 in funds to assist with the new construction of a proposed 105-unit apartment project designed for family-occupancy. The project would contain 10 – one-bedroom units, 20 – two-bedroom units, 55 – three-bedroom units, and 20 – four-bedroom units. All units are between 50% and 60% AMI. This project will be located on N. Pecos Road and E. Centennial Pkwy. in the City of North Las Vegas.

10. UDG NLV Owner, LP

North Haven Apartments

Requested: \$1,500,000

Recommended: \$0

A for-profit was recommended for \$1,500,000 in funds to assist with the new construction of a proposed 150-unit apartment project designed for family occupancy. The project would contain 60 – one-bedroom units, 45 – two-bedroom units, 33 – three-bedroom units, and 12 – four-bedroom units. All units are between 30% and 70% AMI. This project will be located on W. Carey Ave. and N. Martin Luther King Blvd. in the City of North Las Vegas.

Nondiscretionary Funding Allocations:

The following is a brief summary of non-discretionary allocations for the HOME/AAHTF funds:

1. The City of North Las Vegas

Per an Interlocal Agreement between Clark County and the City of North Las Vegas, an estimated \$1,468,519 will be allocated to the City of North Las Vegas for its HOME program.

2. Clark County

The County is reserving \$395,853 for County administration of the HOME/AAHTF program.

Clark County Off-Cycle Initiatives Set-Aside

The County is reserving \$3,986,074 in non-allocated and previous year funding as a set-aside for projects that may qualify for HOME/AAHTF funds outside of the annual application round.

Total Recommended Funding Allocations:

**TABLE 3
TOTAL FUNDING AMOUNTS**

Organization	Allocation	Funding
City of North Las Vegas	HOME/ AAHTF	\$1,468,519
Clark County	Administration	\$395,853
Clark County Off-Cycle Initiatives		\$3,986,074
Total Recommended Discretionary Projects (from Table 2 above)		\$8,930,790
TOTAL ESTIMATED RECOMMENDATION		\$14,781,236

FINAL RECOMMENDATION

If the recommendation above is approved, Clark County will be required to meet HUD requirements and will be responsible for further underwriting of the proposed projects. As projects receive HUD approval and are ready to proceed, staff will draft the final loan agreements on the individual projects and submit for signature by the County Manager or designee. Further, Clark County will be responsible for monitoring projects to ensure that such units remain affordable and to ensure compliance with HUD regulations and State administrative guidelines as applicable.



KEVIN SCHILLER
County Manager