

AGENDA ITEM DEVELOPMENT REPORT

OFFICE OF THE COUNTY MANAGER
CLARK COUNTY, NEVADA

AIDR No.: 3675

YOLANDA T. KING
County Manager

JESSICA L. COLVIN
Chief Financial Officer

RANDALL J. TARR
Assistant County Manager

KEVIN SCHILLER
Assistant County Manager

JEFFREY M. WELLS
Assistant County Manager

LES LEE SHELL
Chief Administrative Officer

Date: 03/15/2021 Agenda Date: 04/06/2021

Originating Department: Social Service, Community Resources Management

Contact/Ext: Karen Schneider/Ext. 5692

Issue: AFFORDABLE HOUSING/HUD GRANT PROGRAM

Subject/Title:

Public Hearing to select FY2021-2022 HOME Investment Partnerships (HOME) and Account for Affordable Housing Trust Funds (AAHTF) projects.

Recommended Action:

Conduct a Public Hearing to review project recommendations of the Community Development Advisory Committee (CDAC), and select 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 \$8,797,692 in FY2021-2022 HOME/AAHTF program monies, program income, 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, accept grant funds, and authorize the County Manager or her designee to execute any necessary agreements. (For possible action)

Summary:

Conduct a public hearing to select the HOME projects for inclusion in the County's application to HUD for HOME Investment Partnerships (HOME) monies; select projects to be funded with anticipated HOME and/or AAHTF funds to be 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 FY2021-2022 HUD Action Plan.

Application by Clark County to HUD will entitle Clark County HOME Consortium (Urban County) to receive \$4,076,310 in FY2021-2022 federal HOME monies. Application to the State of Nevada will entitle the consortium to receive an estimated additional \$759,738 in FY2021-2022 HOME funds, plus an estimated \$1,755,877 in AAHTF funds for an estimated total of \$6,591,925 in new funding. Funding in the amount of \$2,205,767 from program income and unexpended funding from prior years were made available for FY2021-2022 projects, bringing the total estimated funding availability for allocation to \$8,797,692. The table summarizes the sources of funds:

**Table 1
Sources of Funds:**

Source	Fiscal Year	Amount
*Federal HOME	FY2021-2022	\$4,076,310
*State HOME	FY2021-2022	\$ 759,738
*AAHTF	FY2021-2022	\$1,755,877
Program Income	Varies	\$2,205,767
*Estimated	Total	\$8,797,692

Pursuant to the Resolution Adopting the Interlocal Cooperative Agreement FY2021-2023, and other federal statutory requirements, shares of FY2021-2022 HOME/AAHTF funds (\$6,591,925) shall be allocated among the members of the Clark County HOME Consortium (Urban County) as follow: Clark County—79% (estimated funds: \$5,207,621) and the City of North Las Vegas—21% (estimated funds: \$1,384,304).

According to HOME regulations, the County may take 10% of the FY2021-2022 HOME funds for program administration. Therefore, Clark County will allocate \$322,028 of its share for administration. The City of North Las Vegas may allocate 10% for administration out of its respective share at \$85,603. 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 Trust Fund Treasury account in that fiscal year. These match funds are used towards housing that qualifies as affordable housing under the federal HOME program.

Citizen Participation:

On October 15, 2020, Clark County advertised for non-profit agencies and local government entities to apply the HOME/AAHTF funds. Program manuals, application forms and access to technical assistance was made available to the public. The application deadline for submission was December 21, 2020.

On February 2, 2021, the Community Development Advisory Committee (CDAC) convened to receive presentations and materials from representatives from applicants for all twelve (12) proposals. The applicants were allowed five (5) minutes to present their projects and an additional five (5) minutes to answer questions from CDAC members and staff.

On February 16, 2021, CDAC met to discuss funding priorities and make their selections. CDAC recommended that ten (8) of the twelve (12) proposed projects receive full funding. The recommended allocation of funds is outlined by priority in the table below.

Table 2
Submitted and recommended discretionary projects:

HOME/LIHTF 2021-2022

CDAC Recommendations

Developer	Project	Requested Amount	Final CDAC Recommendation
Accessible Space, Inc.	Carol Haynes Apartments	\$277,800	\$240,000.00
Accessible Space, Inc.	Sandy Robinson Apartments	\$119,975	\$119,975.00
Accessible Space, Inc.	Ruby Duncan Manor	\$259,900	\$211,000.00
Nevada H.A.N.D., Inc.	Rome South Senior Apartments	\$200,000	\$200,000.00
Accessible Space, Inc.	Vegas Valley Senior Supportive Housing	\$690,000	\$690,000.00
Nevada H.A.N.D., Inc.	Rome South 2	\$700,000	\$700,000.00
Community Development Programs Center of Nevada	1501 LLC	\$500,000	\$500,000.00
Neighborhood Housing Services of Southern Nevada, Inc.	Eastern Land Senior Apartments	\$600,000	\$600,000.00
Sargem Management LLC	Buena Vista Springs Affordable Housing	\$1,086,000	\$1,056,329.00
Nevada Rural Housing Authority	Hafen Village	\$1,000,000	\$1,000,000.00
Silver State Housing	West Sahara Apartments	\$1,500,000	
Coordinated Living of Southern Nevada, Inc.	Tempo IV Senior Apartments	\$1,800,000	
	TOTALS	\$8,733,675	\$5,317,304

The following is a brief summary of the discretionary projects that were received, reviewed, and are being recommended for funding by CDAC:

1. Accessible Space, Inc.

Carol Haynes Apartments

Owner: ASI-Las Vegas, Inc.

Requested: \$277,800

CDAC Recommended: \$240,000

A non-profit was recommended for \$240,000 in funds to assist with the rehabilitation of Carol Haynes Apartments. Carol Haynes Apartments is a two-story 24-unit accessible, affordable, apartment housing section 811 (very low-income adults with disabilities) and was opened in 1993. This 24.5-year-old building needs several capital improvements which include replacing the elevator, window replacement, painting the building, replacement of vinyl flooring and replacement of the water heater. This project is located at 5160 General Miles Way, in unincorporated Clark County.

2. Accessible Space, Inc.

Sandy Robinson Apartment

Owner: ASI Southern Nevada, Inc.

Requested: \$119,975

CDAC Recommended: \$119,975

A non-profit was recommended for \$119,975 in funds to assist with the rehabilitation of Sandy Robinson Apartments. Sandy Robinson Apartments is a 25-unit accessible, affordable apartment housing section 811 (very low-income adults with disabilities) and located in the City of Las Vegas that opened in 1999. This 21.5-year-old building needs several capital improvements which include window replacement, stucco repairs, water heater replacement and painting. This project is located at 4200 E. Bonanza Road, in the City of Las Vegas.

3. Accessible Space, Inc.

Ruby Duncan Manor

Owner: Operation Life Senior Citizens Corporation

Requested: \$259,900

CDAC Recommended: \$211,000

A non-profit was recommended for \$211,000 in funds to assist with the rehabilitation of Ruby Duncan Manor. Ruby Duncan Manor is 30-unit client centered rehabilitation and habilitation treatment center that is in the City of Las Vegas and opened in 1987. The building needs several capital improvements which include Security shutters, parking lot lights and upgrade exterior lighting, replacement & restriping of parking lot, concrete walkway and slab replacement and surveillance camera system. This project is located at 500 West Owens Avenue in the City of Las Vegas.

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

Rome South Senior Apartments

Owner: Rome South Senior LLC

Requested: \$200,000

CDAC Recommended: \$200,000

A non-profit was recommended for \$200,000 in funds to assist with the new construction of a 150-unit, senior project that would contain 90 one-bedroom and 60 two-bedroom units in one four-story building. Nevada H.A.N.D., Inc received an award of HOME funds last round, since then they have applied for and received a 9% LIHTC allocation which allowed them to increase the number of units from 75 to 150, these funds will be used to fill the funding gap for the increased costs. Rome South Senior Apartments will be located on the southeast corner of E. Rome Boulevard and North 5th Street, North Las Vegas.

5. Accessible Space, Inc.

Vegas Valley Senior Supportive Housing

Owner: ASI Vegas Valley, LLC

Requested: \$690,000

CDAC Recommended: \$690,000

A non-profit was recommended for \$690,000 in funds to assist with the new construction of a 70-unit senior project that would contain 59 one-bedroom and 11 two-bedroom units in a three-story building. 14 of those units would be reserved for HUD Section 811; for very low-income persons aged 18 to 62 with physical and/or cognitive disabilities and 17 units will be "Type A" fully accessible units to accommodate people with physical disabilities and allow seniors to age in place. The project is in unincorporated Clark County. The site is southwest of the intersection of East Vegas Valley Drive and South Nellis Boulevard.

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

Rome South 2 Senior Apartments

Owner: Rome South 2 LLC

Requested: \$700,000

CDAC Recommended: \$700,000

A non-profit was recommended for \$700,000 in funds to assist with the new construction of a 75-unit senior project that will contain 45 one-bedroom and 30 two-bedroom units in one four-story building. 69 of the units will be at 50 percent AMI, 1 unit will be at 30 percent AMI and 5 units will be at fair market rent. The project is located on the southeast corner of E. Rome Boulevard and North 5th Street, North Las Vegas.

7. Community Development Programs Center of Nevada

1501 LLC

Owner: Community Development Programs Center of Nevada

Requested: \$500,000

CDAC Recommended: \$500,000

A non-profit was recommended for \$500,000 in funds to assist with the new construction of a 40-unit affordable housing project that will contain 28 1-bedroom and 12 2-bedroom units that are fully sprinkled, tankless hot water heaters, washer/dryer hookups, ceiling fans and low E windows. This project will provide 33 low-income units and 7 market rate units, it is located at 1501 Decatur Boulevard, in the City of Las Vegas.

8. Neighborhood Housing Services of Southern Nevada, Inc.

Eastern Land Senior Apartments

Owner: Eastern Land, LLC

Requested: \$600,000

CDAC Recommended: \$600,000

A non-profit was recommended for \$600,000 in funds to assist with the new construction of a 60-unit mixed-income senior supportive housing development that will contain 42 one-bedroom and 18 two-bedroom units in a three-story building. This project will include the physical spaces and social supports to allow very- and extremely low-income seniors to age in a setting that promotes independence and dignity. 51 of the units will be at or below 50 percent AMI and units will be unrestricted. The project is located at 832 N. Eastern Avenue in the City of Las Vegas.

9. Sargem Management LLC

Buena Vista Springs Affordable Housing

Owner: Sargem Management, LLC

Requested: \$1,086,000

CDAC Recommended: \$1,056,329

A non-profit was recommended for \$1,056,329 in funds to assist with the new construction of a 40-unit affordable housing project, all 40 units will be one-bedroom and all 40 units will be at 50 percent AMI. This project is located on the corner of West Avenue and West Carey Avenue, North Las Vegas.

10. Nevada Rural Housing Authority

Hafen Village

Owner: Hafen Village, LLC

Requested: \$1,000,000

CDAC Recommended: \$1,000,000

A non-profit was recommended for \$1,000,000 in funds to assist with the new construction of a 48-unit affordable housing project that will contain 8 one-bedroom, 36 two-bedroom and 4 three-bedroom units in a three-story residential building. All 48 units will be rented at or below 50 percent AMI. The project will be located on West Hafén Land and Riverside Road in the City of Mesquite.

The following is a brief summary of the nondiscretionary projects that do not require CDAC approval:

1. The City of North Las Vegas

Per an Interlocal Agreement, an estimated \$1,408,360 will be allocated to the City of North Las Vegas for its HOME Program.

2. Clark County Community Resources Management

The County is reserving an estimated \$322,028 for Clark County administration and \$1,750,000 for Off-Cycle Initiatives. These allocations, totaling \$2,072,028 were provided to members of CDAC for their review.

**Table 3
Recommended Projects**

Non-Discretionary Projects			
Organization	Project	Funding	
City of North Las Vegas	HOME/AAHTF		\$1,408,360.00
Clark County - CRM	Administration		\$322,028.00
Clark County - CRM	Off-Cycle Initiatives (PAB, BLM,PSH)		\$1,750,000.00
Total Estimated Non-Discretionary			\$3,480,388.00
Discretionary Projects			
Project	Organization	Funding	Funding
Carol Haynes Apartments	Accessible Space, Inc.	\$277,800.00	\$240,000.00
Sandy Robinson Apartments	Accessible Space, Inc.	\$119,975.00	\$119,975.00
Ruby Duncan Manor	Accessible Space, Inc.	\$259,900.00	\$211,000.00
Rome South Senior Apartments	Nevada H.A.N.D., Inc.	\$200,000.00	\$200,000.00
Vegas Valley Senior Supportive Housing	Accessible Space, Inc.	\$690,000.00	\$690,000.00
Rome South 2	Nevada H.A.N.D., Inc.	\$700,000.00	\$700,000.00
1501 LLC	Community Development Programs Center o	\$500,000.00	\$500,000.00
Eastern Land Senior Apartments	Neighborhood Housing Services of Southern	\$600,000.00	\$600,000.00
Buena Vista Springs Affordable Housing	Sargem Management LLC	\$1,086,000.00	\$1,056,329.00
Hafen Village	Nevada Rural Housing Authority	\$1,000,000.00	\$1,000,000.00
West Sahara Apartments	Silver State Housing	\$1,500,000.00	
Total Estimated Discretionary			\$5,317,304.00
Total Estimated Recommendation			\$8,797,692.00

County Considerations

Several concerns for the Buena Vista Springs project were identified through our underwriting process. The County concerns include: the Sponsor entity Sargem Management (Sargem) is not well known, their October 2020 balance sheet indicates limited financial capacity, Sangem's proposal request is the highest HOME funding per unit of comparable applicants, no detailed evidence of project financing was provided by the applicant other than a soft LOI from a hard money lender based in New York which implied a much larger (\$30M+) total project cost, the Market Study was completed in 2016 as part of "master re-development" for adjacent HUD CNI project, the appraisal was completed in 2018 for "master-site" with land value in excess of project's total development

cost, and the operating proforma indicates the Debt-Service Coverage Ratio (DSCR) falls below 1.00 by Year 6 which indicates this project is an extreme financial risk.

Therefore, the Board of County Commissioners is asked to consider an alternative scenario pertaining to funding recommendations, as illustrated in Table 4.

**Table 4
Recommended Projects – Option B**

HOME/LIHTF 2021-2022	OPTION B		
Developer	Project	Requested Amount	Option B
Accessible Space, Inc.	Carol Haynes Apartments	\$277,800	\$240,000.00
Accessible Space, Inc.	Sandy Robinson Apartments	\$119,975	\$119,975.00
Accessible Space, Inc.	Ruby Duncan Manor	\$259,900	\$211,000.00
Nevada H.A.N.D., Inc.	Rome South Senior Apartments	\$200,000	\$200,000.00
Accessible Space, Inc.	Vegas Valley Senior Supportive Housing	\$690,000	\$690,000.00
Nevada H.A.N.D., Inc.	Rome South 2	\$700,000	\$700,000.00
Community Development Programs Center of Nevada	1501 LLC	\$500,000	\$500,000.00
Neighborhood Housing Services of Southern Nevada, Inc.	Eastern Land Senior Apartments	\$600,000	\$600,000.00
Sargem Management LLC	Buena Vista Springs Affordable Housing	\$1,086,000	\$0.00
Nevada Rural Housing Authority	Hafen Village	\$1,000,000	\$1,000,000.00
Silver State Housing	West Sahara Apartments	\$1,500,000	\$528,164
Coordinated Living of Southern Nevada, Inc.	Tempo IV Senior Apartments	\$1,800,000	\$528,165
	TOTALS	\$8,733,675	\$5,317,304

1. West Sahara Apartments

Silver State Housing

Owner: West Sahara Senior Housing LLC

Requested: \$1,500,000

CDAC Recommended: \$528,164

A non-profit was recommended for \$528,164 in funds to assist with the new construction of a 91-unit affordable housing project that will contain 74 one-bedroom and 17 two-bedroom units in a three-story residential building. The project will be located at 8007 West Sahara Avenue in Las Vegas Nevada.

2. Tempo IV Senior Apartments

Coordinated Living of Southern Nevada

Owner: Coordinated Living of Southern Nevada

Requested: \$1,800,000

CDAC Recommended: \$528,164

A non-profit was recommended for \$528,164 in funds to assist with the new construction of a 100-unit affordable housing project that will contain 60 one-bedroom and 40 two-bedroom units in a three or four-story residential building. The project will be located at Northwest corner of E Russell Road and Boulder Hwy.

Final Recommendation

CDAC's recommendations are advisory and the Board of County Commissioners has final authority over the allocation of these monies, subject to Clark County meeting HUD requirements.

The HOME and AAHTF programs are designed to expand the supply of affordable housing in our 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 five (5) to twenty (20) years. Furthermore, some funding sources require that subsidies be recaptured by Clark County upon the sale of the assisted units.

Clark County will be responsible for underwriting 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 her 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.



YOLANDA T. KING
County Manager