

STAFF REPORT

Date: September 25, 2024

To: Mayor and City Council

Through: Jackie Bryant, Interim City Manager

Subject: Resolution No. _____ (For Possible Action): Resolution of the City Council of the City of Reno, Nevada, to be provided to the director of the Nevada Department of Business and Industry, supporting the affordable housing development project identified as “Skyline Flats” (the development of 402 affordable housing units located on Dandini Blvd.) and providing other details in connection therewith.

From: Elaine Wiseman, Housing Manager

Department: City Manager’s Office – Housing & Neighborhood Development

Summary:

The State of Nevada Department of Business and Industry is designated as the issuer of tax-exempt housing revenue bonds in Nevada by the Internal Revenue Service. Each year, the City of Reno is allocated a portion of the State’s bond capacity, referring to this program as the Private Activity Bond Volume Cap (Volume Cap). While the City of Reno has already allocated their allotted amount of Volume Cap for this year, per the Nevada Administrative Code (NAC) 319.7115, the State can issue 100 percent of the tax-exempt bonds for a housing project if the Director of the Department of Business and Industry receives a letter indicating support of a project from the local government, and the Division has sufficient Volume Cap to provide the project. Dominion Development & Acquisitions, LLC is seeking an amount not to exceed \$90.6 million in tax-exempt bonds to finance the development of Skyline Flats Apartments, a 402-unit apartment complex for low-income individuals and families on Dandini Blvd. in Reno.

Dominium is requesting the City of Reno provide the State of Nevada a letter of support from the governing body. Dominion is also requesting that the State Department of Business and Industry fully fund the Volume Cap needed for this project since the City of Reno’s Volume Cap has already been allocated for the year.

Consent Review	Yes	No
1. Is this item an annual or standard item that comes before Council for regular approval?	X	
2. Is this item an agreement required based on an item previously approved by Council?		X

3. Is this item included in the current budget approved and adopted by Council?		X
Other Considerations		
What percent of the total City budget does this item represent?		N/A

Alignment with Strategic Plan:

Economic Opportunity, Homelessness, and Affordable Housing

Previous Council Action:

There is no recent Council action relevant to this item.

Background:

Each year, the Internal Revenue Service allocates to each state the right to issue a certain amount of federally tax-exempt private activity bonds (referred to as Volume Cap), and pursuant to NRS Chapter 348A and NAC Chapter 348A, the Director of the Department of Business and Industry receives the State’s Volume Cap from the IRS and allocates 50 percent to the State and 50 percent to local governments based on population.

Most of the State’s portion of the Volume Cap is used by the Nevada Housing Division to issue tax exempt bonds to finance affordable housing projects, and the Housing Division usually requires that the local government contribute some of its Volume Cap to finance those projects. Although the 2024 City’s Volume Cap allocation has already been distributed, per the Nevada Administrative Code (NAC 319.7115), the State can issue 100 percent of the tax-exempt bonds for a housing project if the Director receives from the local government a letter indicating support of a project, and the State has sufficient Volume Cap to provide the project.

Discussion:

Dominium Development is proposing to develop Skyline Flats Apartments, a 402 unit project which is composed of two, three, and four-bedroom units across (15) three-story walkup buildings. All units will serve individuals at 60% or below AMI. In-unit amenities will likely include balconies for every unit, washers and dryers, dishwashers, microwaves, garbage disposals, pantries, and ample cabinet and closet storage. Interior finishes will likely include wood cabinetry, hard-surfaced countertops, and luxury vinyl plank flooring. Units will also feature energy-efficient designs with Energy Star-rated appliances, LED light fixtures, high R-value insulation, and automatic thermostat controls. Amenities will include multiple children's playground, a pool/spa area, a bus shelter for students, a central clubhouse with a furnished clubroom, fitness center, and leasing offices. The development plans to promote water conservation through ion water meters and extensive xeriscape landscaping.,

The Skyline Flats project is strategically located on a 58.34-acre parcel northeast of Truckee Meadows Community College, on Dandini Boulevard in Reno. This site is 9 minutes (5 miles) from Downtown Reno, providing tenants with easy access to everyday goods and services. Dandini Boulevard's location is highly convenient, being approximately 4.6 miles from Reno Tahoe Airport, 2.6 miles from Costco Wholesale, 2.15 miles from Walmart, and 1.15 miles from Home Depot. Families residing in the area will benefit from a variety of nearby schools, including Lois Allen Elementary School just 0.3 miles away, Sparks Middle School 2.8 miles away, and TMCC High School only 0.5 miles away. Furthermore, US-395 is situated southwest of the site, offering essential transportation routes for everyday drivers in Washoe County. This well-connected and resource-rich location ensures that residents have everything they need within close proximity.

Funding the project is in conformance with the City's Industrial Development Revenue Bond program priorities, namely:

- (1) Affordable housing and manufacturing projects
- (2) Other eligible uses except for utility projects
- (3) Utility projects

Financial Implications:

None. The State of Nevada Department of Business and Industry will issue the bonds. Repayment of bond principal and interest will be the responsibility of the developer and paid through project operating income.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

Staff recommends Council approve the Resolution supporting the affordable housing development project identified as Skyline Flats Apartments and providing said resolution to the Director of the Nevada Department of Business and Industry.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Skyline Flats Apartments Resolution