

Letter of Interest to Purchase
315 & 355 Record Street
April 10, 2024



C I T Y O F
RENO

Staff Recommendation:

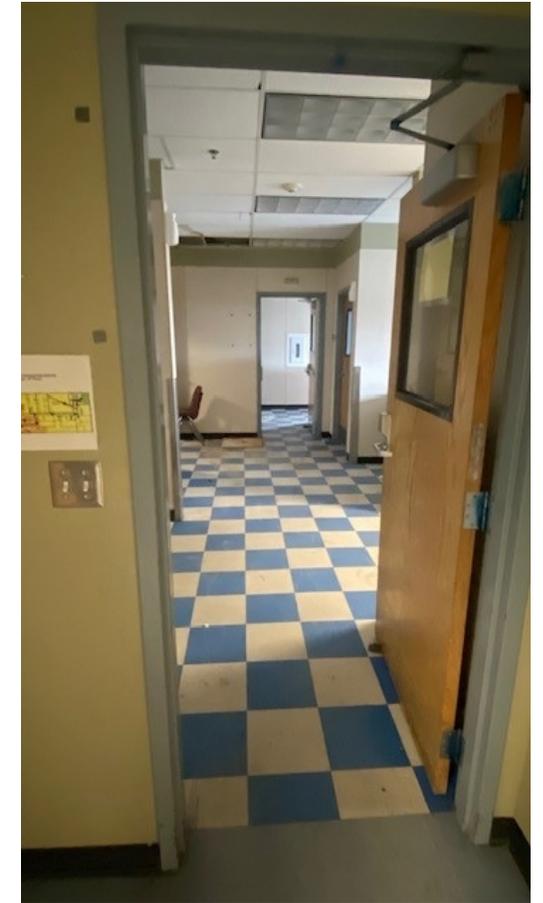


- Obtain Current Appraisals
- Enter into an Exclusive Negotiating Agreement with Bash Capital, LLC
- Conduct a Reversion to Acreage of the Parcels

History of the Community Assistance Center

- **2003** - Council identified Record Street for the co-location of and expansion of homeless services
- The Men's Drop in Center, Reno Sparks Gospel Mission, and St. Vincent's Dining Facility were relocated
- **2008** - A new women's shelter, family shelter, triage center and community resource center built
- \$20 million for new facilities, \$3 million from CDBG funds.
- **2021** - Washoe County opens the Nevada Cares Campus Emergency Shelter and the Nevada Cares Campus Safe Camp
- **Feb 2023** - Remaining tenants vacate the Center

Current Conditions of the CAC



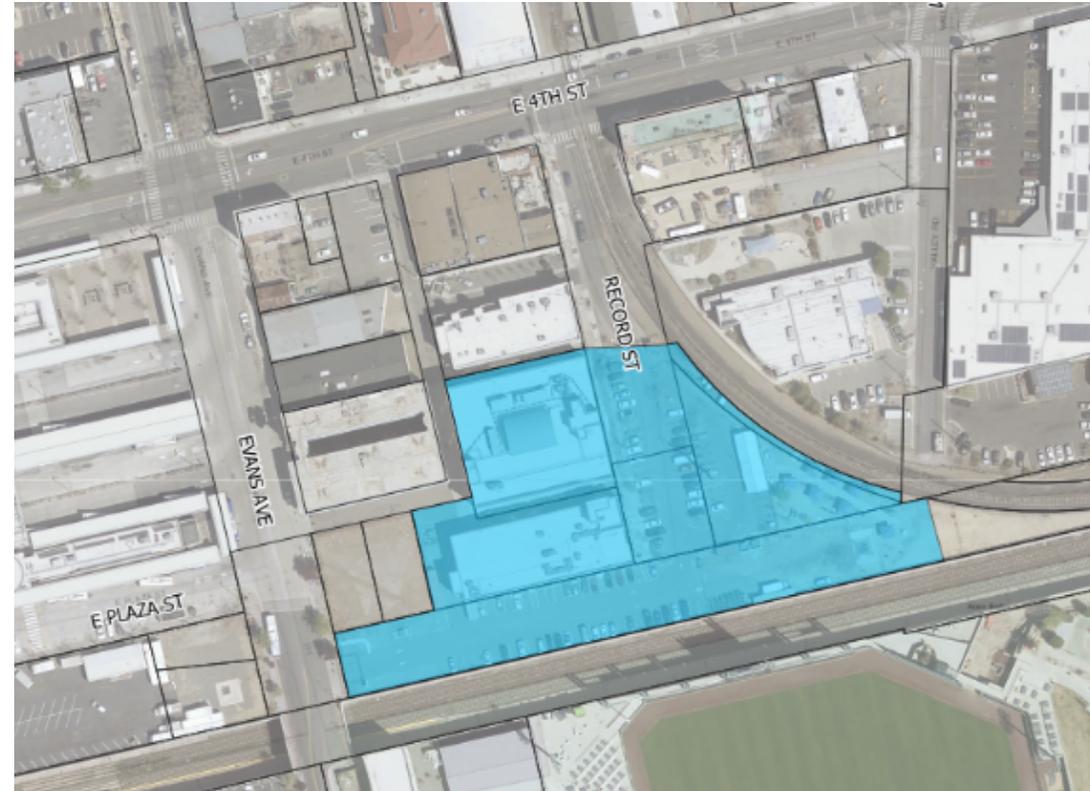
Maintenance and Repair

- 5 yr maintenance and operations costs: \$1,973,840
- Cost to repair components: \$2,750,000
- Appraisals:
 - Assume both buildings demolished: \$3,950,000
 - Assuming only 315 Record St. demolished: \$4,250,000

Bash Capital Letter of Interest

Term Sheet:

- Option A: \$1,500,000 with no Development Agreement
- Option B: \$1 with Development Agreement for Workforce Housing (<80% AMI)
 - Keeps CDBG funds with project



CDBG Funds

- 24 CFR 570.505 & 24 CFR 570.503(b)(7)
- *“(b) If the recipient determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under paragraph (a)(1) of this section, it may retain or dispose of the property for the changed use **if the recipient's CDBG program is reimbursed in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds** for acquisition of, and improvements to, the property.”*

Appraisal Scenarios:

Estimated Appraisals: \$4,000,000

CDBG Commitment: \$600,000

Option A: \$1,500,000 (-\$600,000 in CDBG reimbursement) = \$900k

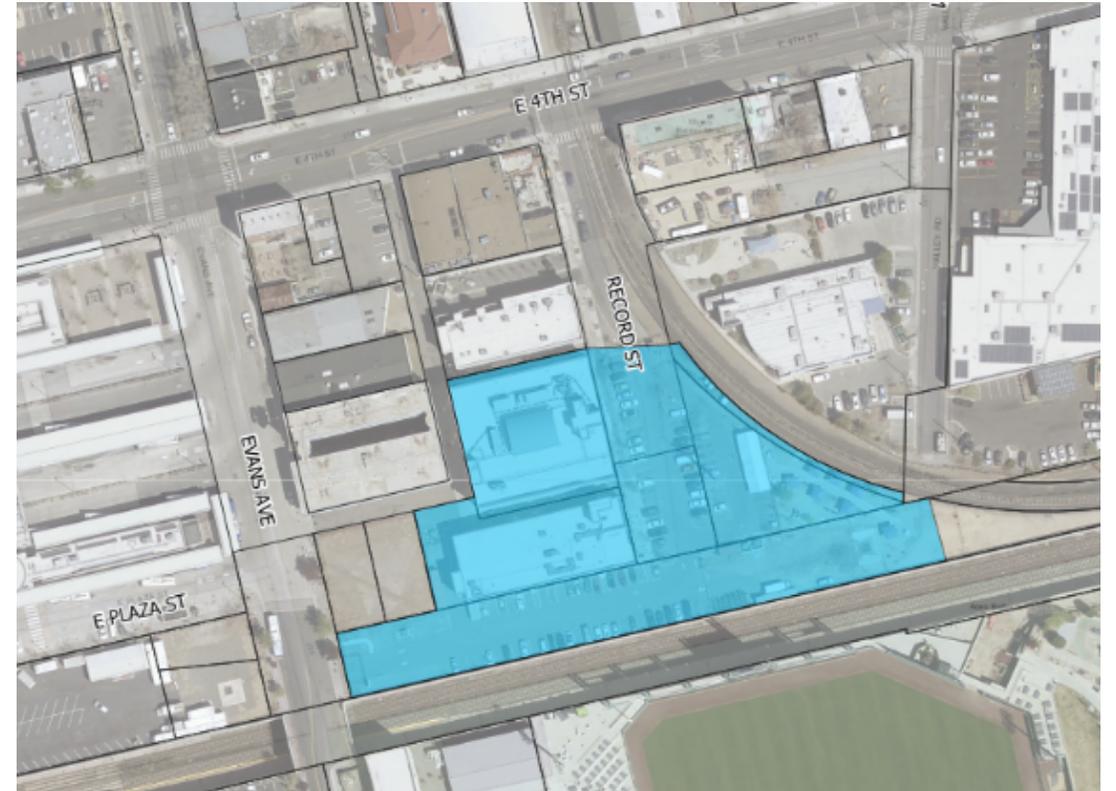
Option B: \$0 (no CDBG reimbursement) = \$0

Option B (alt): \$600,000 (no CDBG reimbursement) = \$600k



Benefits to the Community:

- Removal of Blight and Nuisance
- Attainable Workforce Housing
- Revitalizes E. 4th Street
- Adds Annual Property Tax



Staff Recommendation:

- Obtain Current Appraisals on the Properties
- Enter into an Exclusive Negotiating Agreement with Bash Capital, LLC
- Conduct a Reversion to Acreage of the Parcels



Recommended Motion:

- I move to direct staff to obtain appraisals of the properties, enter into an Exclusive Negotiating Agreement with Bash Capital, , and conduct a reversion of acreage, together with matters which pertain to or are necessarily connected therewith.