

## APPLICATION FOR REDUCTION OR SUBSIDIZATION OF BUILDING PERMIT FEES AND SEWER CONNECTION FEES FOR AFFORDABLE HOUSING DEVELOPMENTS

### Submittal Information

Pursuant to Statutes of Nevada 2019, enacted by the Nevada Legislature by passage of Senate Bill No. 103 (NRS 278.235(1)(a) and (2)) the city is enabled with the ability to reduce or subsidize in whole or in part impact fees, fees for the issuance of building permits collected pursuant to NRS 278.580 and fees imposed for the purpose for which an enterprise fund was created to assist in maintaining or developing a project for affordable housing.

Applications can be submitted electronically to the City of Reno Housing and Neighborhood Development Division ([housing@reno.gov](mailto:housing@reno.gov)). Following staff review, a Reno City Council public hearing will be scheduled within three (3) months of application receipt and a determination made by the Reno City Council on whether or not reducing or subsidizing the fees will adversely impair the ability of the city to pay, when due, all interest and principal on any outstanding bonds or any other obligations, for which revenue from such fees was pledged.

**Submit application materials to:** [housing@reno.gov](mailto:housing@reno.gov)

**Questions:** For questions regarding this application, please contact City of Reno staff at [housing@reno.gov](mailto:housing@reno.gov) or by calling 775-334-2578.

### Project Eligibility

When the incomes of all the residents of the project for affordable housing are averaged, the housing would be affordable on average for a family with a total gross income that does not exceed 60 percent of the median gross income for Washoe County based upon the estimates of the United States Department of Housing and Urban Development of the most current median gross family income for Washoe County.

### Additional Requirements

- (1) An annual report shall be provided by HAND staff to the City Manager. The applicant or property manager verifying compliance with all of the requirements specified in RMC 1.08 shall submit the annual report by July 1<sup>st</sup> of every year. The annual report shall be e-mailed to [housing@reno.gov](mailto:housing@reno.gov).
- (2) All applicable building permits (i.e. grading, building, etc.) associated with fee reduction shall be obtained within 24 months of the date of approval of any reductions by city council or the approval shall expire. An applicant may reapply following the expiration of an approval.
- (3) The income restriction(s) must remain in effect for 20 years or the reduced fee(s) will be reinstated and assessed on the property by recordation of a lien.
- (4) A deed restriction or similar property restriction will be recorded against the property.

Applicant Contact Information

Name: Harry 'Chip' Hobson

Address: 3870 Neil Road Suite A

City/State/Zip: Reno, NV 89502

Phone Number: 775-329-1155

E-mail Address: hobsonc@sbcglobal.net

Owner Contact Information

Name: Orovada St. Senior Apartments II LLC

Address: 3870 Neil Road Suite A

City/State/Zip: Reno, NV 89502

Phone Number: 775-329-1155

E-mail Address: hobsonc@sbcglobal.net

Project Information

Project name: Orovada St. Senior Apartments - Phase II

Project address: 2580 Orovada St., Reno, NV 89512

Project APN: 026-284-09

Total number of units in project: 34

Total number of affordable units in project: 34

### Development Timeline

Has development closed on financing? ☐ Yes ☒ No

If no, when is financing scheduled to close?  
March 5, 2024

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Has project applied for building permits?

☒ Yes (date applied: \_\_\_\_\_ and permit number BLD24-0565E)

☐ No (when anticipated to submit for building permits: \_\_\_\_\_)

Anticipated construction start date: April 2024

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Anticipated construction completion: June 2025

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### Application Submittal Requirements and Criteria

- (1) Provide a detailed written narrative of the project and include information on project summary, project location, building height and number of stories, phasing plans, project demographic, development schedule, affordability breakdown, etc.
- (2) Provide signed and notarized owner and applicant affidavits.
- (3) In order to allow the reduction or subsidization, the City has adopted criteria that a project must satisfy to receive assistance in maintaining or developing the project for affordable housing. Provide all documentation supporting the applicable request and check one of the three criteria listed below (A through C) that the project will meet.
  - ☐ A. Project provides housing for families with an average total gross income not exceeding 60 percent of the area median income (AMI) for Washoe County, and is eligible to receive a 75 percent reduction in the associated fee(s) for those units at or below 60 percent of the AMI.
    - ☐ A1. This project is also eligible to receive an additional 10 percent reduction because the project is located within ¼ mile of a bus rapid transit route; or
    - ☐ A2. This project is within a Mixed Use area or within one mile of an Employment Area, as identified within the Structure Plan of the City of Reno Master Plan.
  - ☐ B. Project provides housing for families with an average total gross income not exceeding 50 percent of the AMI for Washoe County, and is eligible to receive a 100 percent reduction in the associated fee(s) for those units at or below 60 percent of the AMI.



- ☒ C. Project provides housing for families with an average total gross income not exceeding 30 percent of the AMI for Washoe County or 100 percent of the units being affordable for 50 percent of the AMI for Washoe County, and is eligible to receive a 100 percent reduction in the associated fees.

- (4) How many units will be affordable based on the criteria listed above?

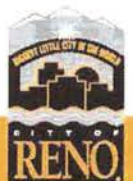
All 34 Units affordable <= 50% AMI - 10 @30% AMI, 24@ 50% AMI (Average 44.12%)

- (5) What is the total dollar amount of fees that you are requesting a reduction?

Building permit fees: \$24,506

\* Sewer connection fees: \$293,892 - TMWRF rates 6 units @ \$10,202 + 28 Micro Units @ \$8,310  
based on net unit square footage 28 units < 600 sq ft & 6 > 600 sq ft

**\*Please note, approval of fee reduction does not guarantee sewer connection or capacity is readily available.**



## OWNER AFFIDAVIT

I am the owner/authorized agent of the property involved in this petition and that I authorize  
Orovada St. Senior Apartments II, LLC (name) to request an affordable housing reduction  
and subsidization of fees on my property. This authorization is inclusive of Assessor Parcel Numbers 026-284-09

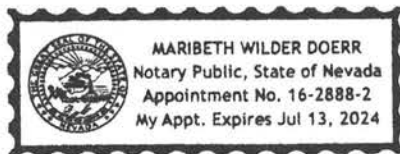
Executed on 1-2-24, in Reno, Nevada  
(date) (City) (State)

Kenneth W Narducy  
Signature

Kenneth W Narducy  
Printed Name

STATE OF NEVADA )  
) ss  
COUNTY OF WASHOE )

On this 2nd day of January, 2024, Kenneth W. Narducy (name)  
personally appeared before me, a Notary Public in and for said County and State, known to me to be the  
owner/authorized agent of the above property who acknowledged to me that they are authorized to and did execute  
the above instrument on behalf of said application.



Maribeth W Doerr  
Notary Public

## APPLICANT AFFIDAVIT

I am the applicant and/or consultant/firm involved in this petition and the foregoing statements and answers herein contained and the information herewith submitted for an affordable housing reduction and subsidization of fees request.

Executed on 1-2-24, in Reno, Nevada  
(date) (City) (State)

Company: Orovada St. Senior Apartments II, LLC

Name: Kenneth W. Narducy

Title: President, Silver Sage Manor, Inc., Manager

Signed: Kenneth W. Narducy

STATE OF NEVADA )  
) ss  
COUNTY OF WASHOE )

On this 2<sup>nd</sup> day of January, 2024, Kenneth W. Narducy  
(name) personally appeared before me, a Notary Public in and for said County and State, known to me to be the applicant and/or consultant/firm involved in this petition who acknowledged to me that they are authorized to and did execute the above instrument on behalf of said application.



Maribeth Wilder Doerr  
Notary Public

## Orovada Street Senior Apartments Phase II

2580 Orovada Street

Reno, NV 89512

APN #: Portion of 026-284-09 (1.69 Acres)

Orovada Street Senior Apartments Phase II (“Orovada Senior Phase II”) is a proposed new construction, 34-unit affordable senior rental development to be located at the corner of Orovada Street and Silverada Boulevard in Reno, adjacent to and directly south of the Orovada Street Senior Apartments Phase I as well as the Rosewood Rehabilitation Center and High Desert Montessori School. The project is sponsored and developed by Silver Sage Manor, Inc. (“SSMI”), a 31-year-old Nevada non-profit organization whose mission is “to serve the needs of seniors by developing high-quality affordable housing.” Orovada Street Senior Apartments Phase II will be SSMI’s 20<sup>th</sup> affordable housing development, and follows on the success of Lincoln Way Apartments, which opened in 2016, and the Orovada Senior Apartments Phase I, which began construction in September 2022 with anticipated completion by January 2024.

In keeping with SSMI’s mission, the Apartments will give preference for 10% of the units to income-qualified senior veterans.

### Physical Description

The attractive new construction elevator residence will include 6 studio (417 SF), 21 one-bedroom/ one bath (550 SF), and 6 two-bedroom / one bath (750 SF), accessible / adaptable apartments with community and service space.

<i>Program Mix</i>	<u>#</u>	<u>SF</u>	<u>%</u>
Studio	8	425	23.5%
1-bdrm	20	550	58.8%
2-bdrm	6	750	17.7%
Total	33	18,552	100.0%

The common areas will include a dining room with warming kitchen, library/lounge, computer lab and business center, fully equipped fitness center, game area and offices for management and supportive service staff, and secure and landscaped grounds and courtyards. Outdoor areas will include resident and visitor parking, a barbeque and picnic area, and a dog park. Because of its adjacency to the Phase I development, residents will enjoy connections to these additional improved outdoor areas.

The Apartments will include high efficiency heating and cooling equipment, EnergyStar appliances, low-E argon thermal pane windows, high R-value wall and attic insulation, and automatic thermostat controls. The development will also offset projected electrical consumption through photovoltaic solar generation. Orovada Senior will promote sustainable building techniques through the use of low- and no-VOC paints, carpeting, padding, and adhesives, and formaldehyde-free particleboard. The development will promote water conservation with low-flow fixtures and extensive xeriscaping.

**Location and Neighborhood**

The 1.69-acre infill site is located at the intersection of Orovada Street and Silverada Blvd in City of Reno Ward 3. A portion of the site (the northern half) will be home to the Orovada Street Senior Apartments Phase I, which began construction in September 2022. The surrounding area is mixed commercial and residential and is located near medical facilities, stores, churches, community services, and mass-transit.

The subject property is well situated within walking distance of many amenities. The project is 0.3 miles north of North Reno Plaza which contains a Sak’N Save Food Store with an in-store pharmacy, a Dollar Tree, a Goodwill Outlet, a Wells Fargo, a Bank of America, Les Schwab Tire Center, AutoZone Auto Parts, and many restaurants including El Paisano, The Wok, KFC, Carl’s Jr, and a McDonalds. Approximately 1.1 miles north of the project is another shopping center, which includes a WinCo Foods, Ross Dress for Less, a Supercuts, and a Subway.

Many community resources are in close proximity to the project. The Teglia’s Paradise Park Activity Center is located less than a mile south of the project site. The Activity Center is situated in a relaxing and tranquil area near Paradise Park Pond. The Center provides areas of open space, a park shelter, play areas, and walking trails. During the week, the Activity Center serves as a site for City of Reno Senior Citizen Recreation Programs, providing activities, referrals, and classes. Also, the Evelyn Mount Northeast Community Center is located 1.9 miles east of the project site. The center contains a year-round pool (with water fitness and swimming classes), fitness center, and gymnasium.

There are also several medical facilities located near the site. Saint Mary’s Regional Medical Center is located 3.1 miles west of the project site. The Renown Regional Medical Center is located 3.3 miles southeast of the project site. The Renown Medical Center is the only certified level 2 trauma center between Sacramento and Salt Lake City. The Renown Medical Center hosts the Institute for Robotic Surgery, Institute for Heart & Vascular Health, Institute for Neuroscience, and Institute for Cancer. It also offers many services from specialized practitioners.

The residents at Orovada Street Senior Apartments Phase II will enjoy easy access to bus transportation. Directly adjacent to the property are RTC Washoe NV Routes 2 and 2s, which run from 4<sup>th</sup> street to the Centennial Plaza. RTC Washoe NV Bus Route 15 is located 0.2 miles north of the project and runs from 4<sup>th</sup> street to Dandini Boulevard at Truckee Meadows Community College.

**Resident Population and Market Demand**

Orovada Street Senior Apartments Phase II will be a senior-restricted development, available to residents ages 55 and above. All units will be affordable to seniors at or below 50% of area median income (AMI). The average rental level will be approximately 44.12% of AMI, with approximately 30% of the units (10 units) serving households below 30% of AMI.

The Apartments will serve a growing need in the Truckee Meadows for barrier-free and affordable supportive senior housing. The Reno area is a popular retirement destination because



of the area's historically low housing costs and taxes (compared to California to the west), sunny weather, and the proximity of outdoor recreation (golfing, boating, skiing, and gaming) in the Truckee Meadows and around Lake Tahoe. Because of this, senior households constitute a disproportionate share of the population in Washoe County.

According to the 2021 Nevada Housing Division Annual Affordable Apartment Survey, the supply of affordable senior housing in Washoe County was extremely tight, even in comparison with the previous year, with responding properties reporting a vacancy rate of 2.3% for one-bedroom units and 3.0% for two-bedroom units (a registered year-on-year decrease). The survey found that 4<sup>th</sup>-quarter market rents over the past 8 years have increased by 88%. The Johnson Perkins Griffin 3<sup>rd</sup> Quarter 2022 Apartment Survey echoes these statements and reports that average rents are at a historic high of \$1,654 per unit, while vacancy rates remain low at 3.44%.

Additionally, the need for housing serving the elderly homeless is well documented in Washoe County. According to the City of Reno's 2020-2024 Consolidated Plan (2018), there are 76,000 elderly and frail elderly residents in Washoe County; this was expected to grow to 100,000 by 2020 and 130,000 by 2030. 20,000 of the county's seniors are socially isolated; one out of four has difficulty with activities of daily living; 5,000 are considered "frail"; one-fourth are in poor health; 20,000 have unaffordable housing costs; and more than 5,000 (8% of all seniors) live in poverty (pg. 57).

We expect strong and continued demand for the Orovada Street Senior Apartments Phase II development. The proposed rents at Orovada Senior Phase II will be significantly below market rents in Washoe County. The proposed studio rents will range from \$519 - \$866, 1-bedroom rents will range from \$556 to \$928, and the proposed 2-bedroom rents will range from \$668 to \$1,113 with owner-paid utilities. For comparison, the current market rent based upon the Johnson Perkins Griffin 3<sup>rd</sup> Quarter 2022 Apartment Survey was \$1,184 for a studio unit, \$1,473 for a 1-bedroom unit and \$1,520 for a 2-bedroom unit. The 2022 HUD Fair Market Rents for Washoe County are \$1,060 for a studio, \$1,256 for a 1-bedroom, and \$1,585 for a 2-bedroom unit.

### **Supportive Services**

Silver Sage Manor, Inc. will employ a Service Coordinator who will assist Orovada Street Senior Apartments Phase II residents with remaining financially and physically self-sufficient. The Coordinator will help residents to access an extensive network of on- and off-site services and will carry out group workshops and information sessions and one-on-one consultations to ensure that individual needs are met. On-site programing will include services such as: food and produce delivery through various nutrition programs, blood pressure screenings, annual flu-shot clinics, transportation assistance, and educational series on topics such as nutrition, health, financial literacy, and computer/phone use. The Service Coordinator will also assist residents in accessing resources available to low-income elderly in the community, including home health care and homemaker assistance, taxi vouchers, energy assistance, rental rebates, healthcare, and emergency food.

Orovada Senior Phase II residents will also be provided with several social supports including a monthly newsletter containing information on on-site services, community resources,

maintenance tips, and social activities. The Service Coordinator organizes holiday lunches, entertainment, game clubs, outings, and activity classes, including chair yoga and scrapbooking.

All these services will enjoy synergy with similar resources provided to Orovada Senior Apartments Phase I residents, creating additional opportunities for all residents.

### **Development Team**

Sponsor / Developer	Silver Sage Manor, Inc.
Development Consultant	Praxis Consulting Group, LLC
General Contractor	Mountain West Builders
Architect	StK:a, LLC
Property Manager	Weststates Property Management

Orovada Street Senior Apartments Phase II will be owned by Orovada St. Senior Apartments II, LLC, a to-be-created sole purpose limited liability company. The 0.01% Managing Member of the LLC will also be a to-be-created sole purpose limited liability company, Orovada Seniors Manager II, LLC. Silver Sage Manor, Inc. (SSMI), will be the sole manager of the Orovada Senior Manager LLC. SSMI will also act as Developer to the owner LLC.

Silver Sage Manor, Inc. (“SSMI”), the Sponsor, Developer, and Owner, is a non-profit 501(c)(3) corporation founded in 1991. The mission of the organization is to “to serve the needs of seniors by developing high-quality affordable housing.” Silver Sage Manor, Inc. is a faith-based group, which grew out of the discussions of a morning men’s breakfast group of members of Lutheran Church of the Good Shepherd. Many of the members of the Board of Trustees are members of local Reno/Sparks churches. SSMI is operated by an all-volunteer Board with a part-time Executive Director. The highly capable Board contributes experience in a variety of real estate disciplines, including finance, banking, architectural design, engineering, realty sales, and construction.

To date, Silver Sage Manor, Inc., has sponsored the creation of 852 affordable rental units in 18 developments across Nevada. Ten of these developments, or 694 units, were developed exclusively for the elderly. The organization has a successful tradition of partnering with experienced development partners, including the Reno Housing Authority, Ovation Development Corporation, Pacific West Builders, Shelter, Inc., and the Gregory Development Group. Silver Sage Senior Residence, a 43-unit complex opened in 2007, was the first project developed by Silver Sage Manor, Inc., without a partner. Silver Sage Manor, Inc., also independently developed the 58-unit Silver Sage at Neil Road, which opened in November 2011. In 2013, Silver Sage completed the substantial rehabilitation of an 8-unit building serving indigent and formerly homeless seniors, Moran St Senior Apartments. In 2016, Silver Sage completed the construction of 45-unit affordable senior rental development in downtown Sparks Lincoln Way Senior Apartments. In September 2022, Silver Sage began construction on the 40-unit affordable Orovada Street Senior Apartments Phase I development.

SSMI receives consulting assistance from Praxis Consulting Group, LLC. Praxis helps non-profit, for-profit, and government organizations develop and finance affordable housing. Praxis

also carries out research and technical assistance in the areas of community development, non-profit capacity building, fund raising, and public policy development. Since 2004, Praxis has directly secured the financing for and closed over 60 affordable housing developments, totaling more than 6,000 units and over \$1 billion in financing. Praxis has expertise in working with public housing authorities in portfolio assessment and RAD and mixed-finance development. Through this work, Praxis has facilitated the preservation and development of thousands of additional units across multiple housing authorities.

Eric Novak, Praxis principal, has over 30 years of experience in all aspects of the affordable housing development process, including HOPE VI and public housing mixed-finance and affordable assisted living. Financing sources have included project-based housing choice vouchers, public housing operating subsidy, private grants, tax-exempt bonds, 4% and 9% tax credits, ARRA TCAP and Section 1602 funds, HUD HOME and state housing trust funds, state transitional housing monies, FHLB AHP funds, as well as conventional construction and permanent debt.

**Development Financing and Schedule**

Financing for Orovada Street Senior Apartments Phase II includes equity from the sale of 9% LIHTC and HUD HOME funds provided through the Washoe County HOME Consortium.

The total development cost for Orovada Street Senior Apartments Phase II is approximately \$11.6 million, or \$353,001 per unit.

Orovada Street Senior Apartments Phase II is projected to close and begin construction in March 2024, with anticipated completion in May 2025 and conversion by January 2026.

## **Orovada St Senior Apartments Phase II**

2580 Orovada Street  
Reno, NV 89512  
APN #: Portion of 026-284-09 (1.69 Acres)

### **Aerial Photo**



**PHASE I & II PROJECT  
SITE**

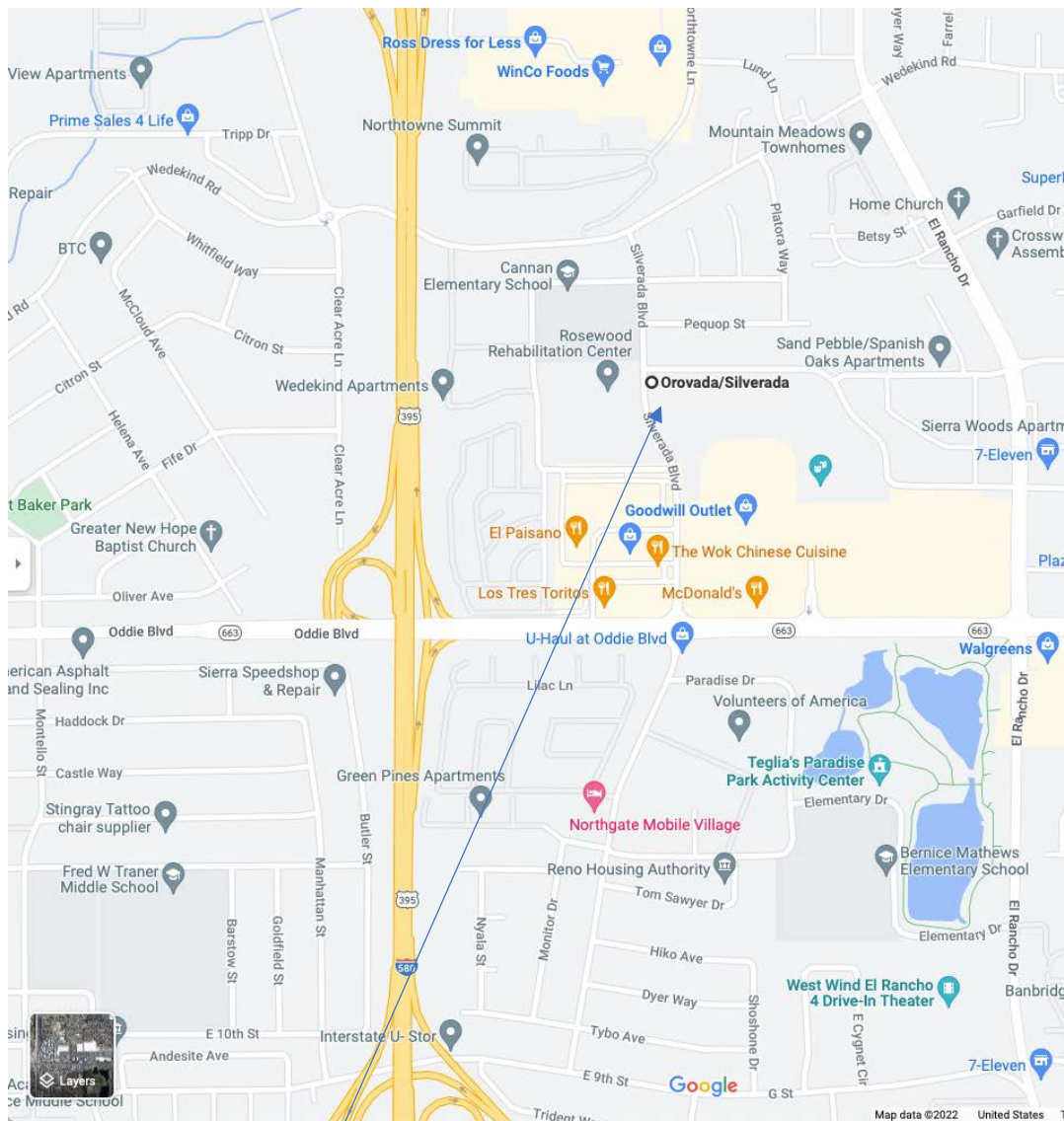
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## Orovada Street Senior Apartments Phase II

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### Location Map



**Orovada Phase II Site**

## Orovada St Senior Apartments Phase II

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### Site Plan



## Orovada St Senior Apartments

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### Elevation

