

STAFF REPORT

Date: February 28, 2024

To: Mayor and City Council

Through: Doug Thornley, City Manager

Subject: Staff Report (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 (B&I), supporting the affordable housing project identified as Vintage at Stoker, the development of 180 units of affordable housing.

From: Elaine Wiseman, Housing Manager

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

Summary:

The State of Nevada Department of Business and Industry (B&I) is designated as the issuer of tax-exempt housing revenue bonds in Nevada by the Internal Revenue Service (IRS). 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 yet to allocate its Volume Cap as the City has not yet received its Volume Cap for this year, per Nevada Administrative Code (NAC) 319.7115, the State can issue 100% of the tax-exempt bonds for a housing project if the Director of B&I receives a letter indicating support of a project from the local government, and the Division has sufficient Volume Cap to provide the project. Vintage Housing Development, Inc. is seeking an amount not to exceed \$30 million in tax-exempt bonds to finance the development of a 180-unit apartment complex for low-income seniors located at 500 Stoker Avenue, in Reno. Vintage Housing Development is requesting that the City of Reno provide the State of Nevada with a letter of support from the governing body. Vintage Housing Development is also requesting that B&I fully fund the Volume Cap needed for this project.

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?	0%	

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 IRS 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 Nevada Revised Statute (NRS) Chapter 348A and NAC Chapter 348A, the Director of B&I receives the State's Volume Cap from the IRS and allocates 50% to the State and 50% to local governments based on population.

Most of the State's portion of the Volume Cap is used by the Nevada Housing Division (NHD) to issue tax-exempt bonds to finance affordable housing projects, and NHD usually requires that the local government contribute some of its Volume Cap to finance those projects.

Unfortunately, the City of Reno has yet to receive its Volume Cap allocation; however, per NAC 319.7115, the State can issue 100% of the tax-exempt bonds for a housing project if the Director receives a letter indicating support for a project from the local government, and the State has sufficient Volume Cap to provide the project.

Discussion:

Stoker by Vintage is a proposed affordable housing apartment community to be located at 500 Stoker Avenue in Reno, Nevada. The proposed apartment community will provide a total of 180 affordable apartment units, restricted to residents earning at or below 60% of the AMI. These units will provide a high-quality, safe, and energy-efficient housing option to low-income individuals and families in the community.

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 B&I 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 “Vintage at Stoker” and provide said Resolution to the Director of the Nevada Department of Business and Industry.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Vintage at Stoker Resolution