

STAFF REPORT

Date: January 11, 2023

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Resolution granting designated affordable housing funds to Truckee Meadows Housing Solutions to offset sewer fees for a planned ten unit affordable housing development located on APN 010-610-19 (0 West Fourth Street) and approval of the grant agreement in the amount of \$75,000. (Capital Fund - Affordable Housing) [Ward 1]

From: Jayna Litz, Management Analyst

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

Summary:

Truckee Meadows Housing Solutions (TMHS) is requesting a new grant agreement in support of affordable housing development. The original grant agreement term was one year, from December 1, 2019 to December 1, 2020. Due to Pandemic related delays, TMHS was unable to start construction during the original term and the grant agreement was not completed before it expired. However, the project is still moving forward and is expected to have permits issued during the first quarter of 2023. The proposed ten unit affordable housing development is located on vacant property in the vicinity of the southwest corner of Keystone Avenue and West Fourth Street, APN 010-610-19 (City donated property). TMHS is a 501(c)(3) nonprofit organization with a mission to increase low income housing. The \$75,000 in affordable housing funds will offset the costs of sewer hookups fees, thus enabling the project to establish and maintain lower rents for the prospective tenants.

Alignment with Strategic Plan:

Economic Opportunity, Homelessness, and Affordable Housing

Previous Council Action:

December 4, 2019 – Council approved a Resolution granting affordable housing funds to Truckee Meadows Housing Solutions and a Grant Agreement with Truckee Meadows Housing Solutions (TMHS) in the amount of \$75,000.

August 14, 2019 – Council approved the use of affordable housing funds for two external projects and three internal programs. The external approval included \$75,000 for TMHS and \$145,000 for The Eddy House. The internal approval included \$200,000 for The Neighborhood

Renewal Program, \$150,000 for a Rapid Rehousing Program and \$25,000 for the City to conduct landlord-tenant seminars.

May 22, 2019 – Council adopted Resolution No. 8676 adopting the FY19/20 Budget and adopting the Fee Schedule for the City of Reno, Nevada, for FY19/20. The adopted budget included \$443,000 in additional funds supporting affordable housing activities.

May 23, 2018 – Council adopted Resolution No. 8535 adopting the FY18/19 Budget including tax levies, and adopting the Fee Schedule for the City of Reno, Nevada, for FY18/19. The adopted budget included \$1,000,000 intended to help address affordable housing needs.

Background:

The City of Reno and Truckee Meadows Housing Solutions entered into a Disposition and Development Agreement whereby the City has conveyed the City-owned land at no charge for the project on Keystone Avenue. The property is currently vacant and is 10,734 square feet in area. Council previously approved the funding for this project on August 14, 2019, and the Resolution and Donation Agreement between the City of Reno and Truckee Meadows Housing Solutions on December 4, 2019.

Discussion:

In this proposed development, 100 percent of the units will be rented to households earning no more than 50 percent of the area median income as established by the Department of Housing and Urban Development. The \$75,000 in grant funds will offset the costs of sewer hookups for the project, thus enabling the project to establish lower rents for the prospective tenants.

NRS 268.028(1) allows the governing body of a city to make donations to nonprofit organizations created for religious, charitable, or educational purposes to be used for a selected purpose. The granted/donated funds must be used to provide a substantial benefit to the inhabitants of the city. Council approval is required before the recommended fund transfer can take place.

Staff recommends Council approve the attached Resolution and Grant Agreement with Truckee Meadows Housing Solutions in the amount of \$75,000. This will allow the development to move forward and the intended use of the \$75,000 to be carried out.

Financial Implications:

Funds have been allocated from the \$1,000,000 and \$443,000 in Affordable Housing Funds (Capital Fund) that were allocated in the FY18/19 and 19/20 budgets to address affordable housing issues. There are approximately \$428,000 remaining from the original allotments.

Legal Implications:

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

Recommendation:

Staff recommends Council adopt the Resolution and approve the Grant Agreement.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

TMHS Resolution for Amendment