

Washoe County Neighborhood Stabilization Program 3

Revised NSP3 Action Plan

Summary of February 2013 Amendment:

Washoe County is updating its NSP3 Action plan to better reflect the County plan for NSP3 funding. As project planning and implementation has progressed, the County has determined that several changes are in order. These are primarily necessitated by the actual costs of construction based on bids and updated costs estimates and a thorough underwriting analysis of the primary rental project being developed by the County. As further outlined below, the County is updating its provisions related to Ensuring Continued Affordability and the Definition of Affordable Rents. In both cases, the updates are intended to clarify prior provisions, eliminate minor internal inconsistencies, and provide for operational flexibility in the future.

Based on updated cost estimates and actual bids, the County is also proposing changes to the structure of the anticipated scattered site rental development included in prior versions of this plan. Rather than be entirely restricted to tenants at or below 50% of the area median income (AMI), the project will be adjusted to include some units targeted to households with incomes of up to 120% AMI. Including units at higher rents will improve the overall financial viability of the development over time and provide operational flexibility. Based on available funding, including \$400,000 from the State of Nevada, the project itself is now projected to consist of up to 10 total units, of which four 1-bedroom units will be 50% AMI units, three 2-bedroom units will be 50% AMI units, and three 2-bedroom units will be 120% AMI units.

Additionally, the County has adjusted its plans relative to the long-term ownership and operations of the anticipated scattered site rental development included in prior versions of this plan. While the County will continue to act as the developer for this project, including building sites on Spokane Avenue in Reno and Zephyr Way in Sparks, it intends to transfer ownership of the project shortly after completion and lease-up to a local nonprofit community development corporation. The County intends to solicit a new owner-operator through an RFP process and will secure the NSP3 investment in the project through both a deed restriction and financing documents.

Finally, based on current cost projections, the County is amending the overall scope of projected activity. Nearly all available NSP3 funding will be used toward the rental project on Spokane and Zephyr. If funding enough funding is available once final bids for this project are available, the County will seek to acquire additional foreclosed, abandoned, or vacant residential property and build or rehabilitate additional units that would be added to the scattered site rental project or sold to NSP-eligible buyers.

Consistent with HUD requirements, Washoe County provided public notice of this amendment to its NSP Action Plan by publishing a Public Notice on **Friday, March 15, 2013**, in the **Reno Gazette Journal**, a publication of general circulation, and by a posting on the County website at

http://www.washoecounty.us/comdev/publications_maps_products/housing.htm. The public comment period ran for 15 days, expiring on **March 31, 2013**.

Public Comments will be summarized and posted to the above noted website as they are received.

Ensuring Continued Affordability:

As Revised by February 2013 Amendment: Washoe County will adopt the minimum affordability period requirements of the HOME program found at 24 CFR 92.252(e) for any rental properties developed and the requirements from 24 CFR 92.254 for any units developed for sale to income eligible homebuyers.

Definition of Affordable Rents:

As Revised by February 2013 Amendment: The program will adopt, as affordable, maximum rents that do not exceed those established by 24 CFR 92.252(a)(1) (i.e. the calculated 65% Rent as published by the HOME program, unlimited by the Fair Market Rent). Additionally, rents will be calculated consistent with 24 CFR 92.252(c) and adjusted annually per the requirements of 24 CFR 92.252(f).

Activities: Rebalance budget per proforma.

- Delete Activity #1 (if need be, we can always add it back later and given narrative anticipating potential of additional projects if more money, that wouldn't be a substantial amendment).
- Leave Administration, Activity #2, as is, adjust dollars as needed to balance overall budget
- Zephyr, Activity #3, will be split into two—as LH25% and LMMI
- Spokane, Activity #4, minor updates to reflect the county's desire to identify a local partner to assume ownership and long-term operating responsibility for the project (see below).

Project Descriptions for Spokane and Zephyr:

As Revised by February 2013 Amendment: Initially, Washoe County will develop, own, and operate the rental project. Upon completion and initial rent-up, it is the County intent to seek a local nonprofit partner to assume ownership and long-term operating responsibility for the project.