**CITY OF SPARKS**

**CITY COUNCIL AGENDA STAFF REPORT**

**MEETING DATE: February 27, 2012**

|  |
| --- |
| **Title: Consideration and possible approval of the City of Sparks’ pro-rata allocation of fiscal year 2012-13 self directed Affordable Housing Municipal Loan Program funds.** |
| **Petitioner: Community Services Department****Presenter: Jim Rundle** |
| **Recommendation: Sparks staff recommends the Sparks City Council allocate its entire pro rata share of approximately $198,000 to the proposed Aspen Village project located within the City of Sparks.**  |
| **Financial Impact: The funds are federal and state funds allocated through the Washoe County Home Consortium.**  |
| **Business Impact (Per NRS 237)****[ ]  A Business Impact Statement is attached.****[x]  A Business Impact Statement is not required because this is not a rule.****[ ]  A Business Impact Statement is not required. This is a rule but does not impose a direct and significant economic burden on a business, or directly restrict the formation, operation or exemption of a business.****[ ]  A Business Impact Statement is not required. Thus is a rule but emergency action is necessary to protect the public health and safety (requires a unanimous vote of the City Council and cannot be in effect for more than six months).** |
| **Agenda Item Brief: Each year a pro-rata portion of the HOME funds allocated to the Washoe County HOME Consortium are available for the jurisdictions to self-direct to projects meeting established priorities. Each jurisdiction’s percentage of funds is based on its population. The City of Sparks’ pro rata share is 22% of $900,000, approximately $198,000.**  |

**BACKGROUND**:

The Affordable Housing Municipal Loan Program is funded through various sources of federal and state funds. Funds are provided to for-profit and not-for-profit organizations to assist with the development of affordable housing opportunities for area residents at a range of income levels. Each year a pro-rata portion of the HOME funds allocated to the Washoe County HOME Consortium (WCHC) are available for the jurisdictions to self-direct to projects meeting established priorities. Each jurisdiction's percentage of funds is based on its current jurisdictional population as of July 1 of the previous year as provided by the State Demographer's offices. Based on that formula, the City of Sparks’ pro-rata share is 22% of the federal HOME grant. The estimated amount of funds available for allocation in Fiscal Year 12-13 will be approximately $900,000; Sparks’ pro-rata share is $198,000. Additional unexpended and program income funds are also available.

Projects which meet a priority, if recommended for funding, may receive an allocation of funds through the self-directed process prior to other eligible housing projects. Based on established funding priorities for FY12-13, staff recommends that the Sparks City Council direct its entire pro-rata share to Northern Nevada Community Housing Resource Board (NNCHRB) for the Aspen Village project. Aspen Village meets the Level I and II priorities. Funds are available to fulfill all three FY12-13 requests as presented. City of Reno staff has also requested that the Reno City Council direct its entire pro-rata share ($477,000) to NNCHRB for the Aspen Village project.

-Previous Council Action: The WCHC established priorities are to be used in allocating the pro-rata share of HOME funds available to each of the three local jurisdictions. The priorities are as follows:

 The Level I priorities are:

|  |  |
| --- | --- |
| Level I Priorities | Reason |
| Project must provide at least 51% of the units at or below 40% of the Area Median Income for family units; at or below 45% of Area Median Income for senior projects | Area has need for units affordable to lower income tenants |
| Projects must have supportive services with MOU | Sustainability |
| Projects that provide permanent housing, especially in conjunction with supportive services, for individuals and households emerging from homelessness. | The federal HEARTH Act, which authorizes funding for the region's homeless services and housing through HUD, will re-focus homeless and special needs service delivery away from emergency services and toward a "housing first" model. |

The Level II priorities are:

|  |  |
| --- | --- |
| Level II Priorities | Reason |
| On transit corridor | Families/seniors need affordable, available transportation |
| Green Component | Creates savings for project and tenants/adds to sustainability of project - exceeds standards set for new construction/rehab as applicable  |
| Consolidated Plan  | Project must address/take into consideration consolidated plan goals (http://www.reno.gov/Index.aspx?page=1260) |
| Regional Plan | Project must address/take into consideration regional plan goals |
| 10 Year Plan to End Homelessness | Project should address 10 year plan to end homelessness (http://www.reno.gov/Index.aspx?page=13640) |
| Mixed Income/Use Projects | Goal is to integrate income levels, increase individuals' opportunities and improve community stability |

The WCHC was formed in 1994 as a joint effort of the City of Reno, City of Sparks, and Washoe County to provide resources and services that promote affordable housing development in the most effective and efficient manner. Funding priorities are established to meet identified affordable housing and community needs. Projects meeting the established priorities may receive an allocation of funding prior to other eligible projects. The funding priorities listed above were established for the self WCHC funds, including the self-directed funds.

**ANALYSIS:**

Applications for two projects and one program were submitted to the WCHC for FY12-13 meeting eligibility requirements: Aspen Village, Reno Housing Authority Oliver Montello Neighborhood Project, and City of Reno Tenant Based Rental Assistance Program. All three applications address some of the noted priorities, and total $2,130,922 in requests.

This year the WCHC experienced a 37.5% reduction in the annual HOME grant, resulting in about $900,000 being available for allocation and approximately $198,000 for Sparks City Council self-direction. Total funding available for allocation in FY12-13 is approximately $3,190,828, including unexpended funds and program income, and will allow all three submitted projects to be funded.

The projects and descriptions are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Project/Developer | **Description** | **Amount Requested** | **Meets Priority I/****Priority II** |
| **Aspen Village /Northern Nevada Community Housing Resource Board**  | **43 unit multi-family project located at 1410 Sullivan Lane, Sparks. Provides housing for families at or below 40% AMI, including 5 special needs units and services.** | **$975,000** | **I,II** |
| **Oliver Montello Neighborhood Program/****Reno Housing Authority** | **New construction of four single-family houses on parcels located in the Oliver Montello neighborhood for families at or below 50% AMI** | **$555,922** | **II** |
| **City of Reno Tenant Based Rental Program/City of Reno Community Resources** | **Assist up to 30 families at or below 30% AMI with rent and utility deposits and monthly rents for up to *24* months and will include services** | **$600,00** | **II** |
|  | **TOTAL** | **$2,130,922** |  |

**ALTERNATIVES:**

The Council may choose to allocate only a portion of its allocation to Aspen Village allocate funds to another project or program, or allow Sparks’ entire pro rata share back to the Technical Review Committee to allocate.

**SUGGESTED MOTION:**

**I move to allocate Sparks entire pro rata share of approximately $198,000 to the Aspen Village proposal located within the City of Sparks.**

Respectfully submitted: Approved:

Armando Ornelas Shaun D. Carey, PE

City Planner City Manager

Prepared by:

Jim Rundle

Senior Planner