



July 6, 2017

Mr. George T. Graham  
Housing Specialist, City of Sparks  
431 Prater Way  
Sparks, NV 89431

Dear Mr. Graham:

Thank you for your kind response to our request for the City of Sparks to transfer their unused Private Activity Bond Cap (PABC) to the Nevada Rural Housing Authority (NRHA). Per your request, NRHA is delighted to submit this comprehensive account of what our Home At Last™ program entails and provide additional details on how the City's transfer of unused PABC to NRHA will be put to good use.

First, I would like to thank you and the City of Sparks for the long-standing partnership that we've enjoyed over the years. Since 2006, when NRHA first established the process of requesting unused PABC to pool with other local transfers to provide homeownership programs to the rural and underserved areas of Nevada, the City of Sparks has transferred a total of **\$18,024,240.79**. Your confidence in transferring unused PABC to NRHA, combined with our pioneering Down Payment Assistance programs, has enabled NRHA to generate **\$316.7 million** in mortgages that helped nearly **1,600 families** in Sparks realize the incredible dream of affordable homeownership!

It is important to note, NRHA only seeks a transfer of your **unused** PABC, so we are excited to hear that you may have an eligible project that can utilize some of the \$4,947,997.41 PABC allocated to the City of Sparks this year. All unused PABC transferred to NRHA will be wholly used to immediately fund the rural NRHA Mortgage Credit Certificate (MCC) program.

In 2009, NRHA developed Nevada's first-ever MCC program. In 2017, our original NRHA MCC program remains a powerful and essential tool to providing families a means to obtaining affordable and sustainable homeownership. The MCC program, funded entirely by PABC delivered to NRHA through local transfers, provides low-to-moderate income homebuyers with a generous annual tax credit every year for the life of the loan, as long as they reside in the home.

Today, the NRHA MCC program provides homebuyers with the following benefits and features:

- Annual tax credit up to 30% of the mortgage interest paid on their home loan - the average homebuyer receives an annual tax savings of \$2,000!
- Tax credit flexibility allows homebuyers to receive the credit annually when they file their federal tax return, or they may elect to realize the savings throughout the year by adjusting their W-4 withholdings to increase their take home pay
- MCC must be obtained at the time of purchasing their home
- Available to first-time homebuyers (haven't owned a home within 3 years)
- Qualified veterans are exempt from the first-time homebuyer requirement
- Veterans, active duty military personnel, and National Guard service personnel receive the MCC benefit at no cost as our way of thanking these heroes for their service to our community and our nation.
- Lenders may include the tax credit as additional income, which allows hard-working families to qualify for a loan by lowering their debt-to-income ratios, and helping them to purchase a home that is more energy-efficient or better suited for the needs of their family



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Nevada Rural Housing Authority is an equal opportunity provider and employer.



Pursuant to NRS 315.977, NRHA operates under the oversight of a board of commissioners consisting of five commissioners appointed by the Nevada League of Cities & Municipalities and Nevada Association of Counties. NRS 315.983 defines that NRHA is deemed to be a public body corporate and politic, and an instrumentality, local government and political subdivision of the State, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out the purposes and provisions of NRS 315.961 to 315.99874, inclusive.

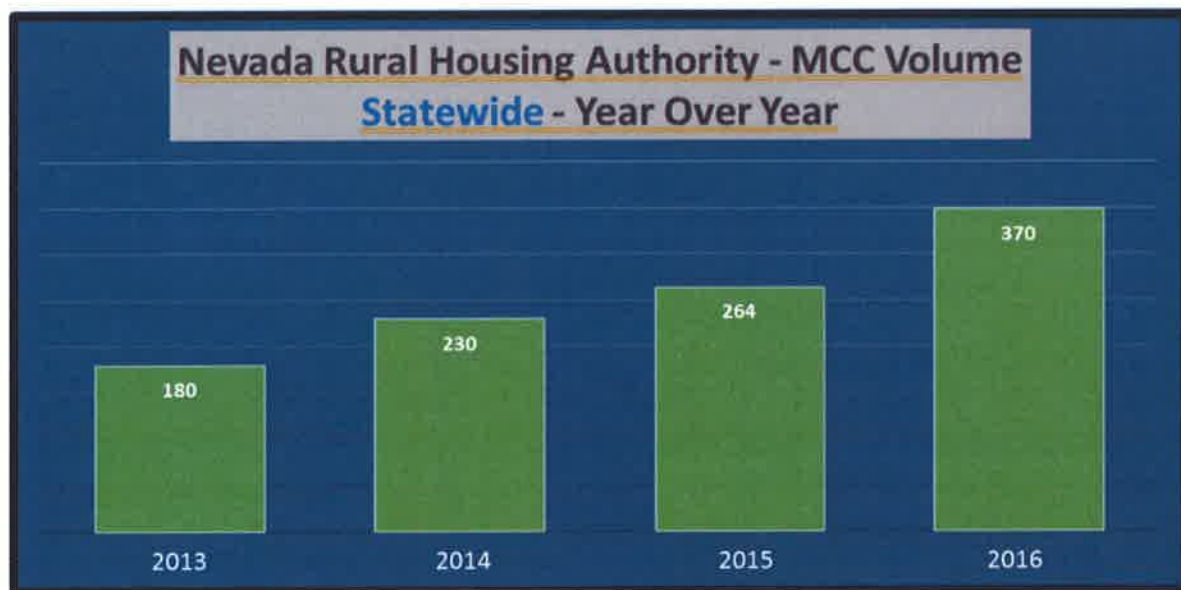
NRHA's area of operation is defined per NRS 315.9835, as follows: The State Authority may operate in any area of the State which is not included within the corporate limits of a City or town having a population of 150,000 or more.

**The City of Sparks is located within NRHA's area of operation. As your local housing authority, it is our mission to serve your community by promoting, providing and financing affordable housing opportunities for your citizens.**

To date, NRHA has already used 75% of our current MCC program funding. We need your transfer of unused PABC to continue operating the rural MCC program, as we have done since 2009. Homebuyer and lender demand for the NRHA MCC program remains strong as evidenced in the chart below.

Your 2017 PABC allocation of nearly \$5 million would allow NRHA to help an estimated 25 families realize the dream of homeownership this year (based on a \$200,000 loan size) – that's 25 new and existing homes sold in your neighborhoods, 25 families buying new furniture and painting bedrooms, and 25 families that may adopt a puppy for the first time now that they have a home of their own. Continuing to support the NRHA MCC program is a decision you can be proud of!

The entire amount of PABC you transfer to NRHA would be fully utilized this year – essentially putting your PABC allocation to work *immediately*. In the first six months of 2017, NRHA has issued 114 MCCs, with 8 of those going to families purchasing homes in designated HUD-targeted areas within the City of Sparks. Detailed maps are attached showing the location of the families NRHA has assisted in and around the City of Sparks.



**Washoe County - MCC & Down Payment Assistance**

<b>Township</b>	<b>Loan Volume</b>	<b># of Loans</b>
Carson City	\$971,278	4
Gerlach	\$224,488	2
Incline Village	\$-	0
Reno	\$74,421,950	390
Sun Valley	\$40,493,184	246
Spanish Springs	\$174,775	1
Sparks	\$316,696,200	1,597
Verdi	\$388,737	2
Wadsworth	\$435,351	3
Washoe Valley	\$5,403,049	24
<b>Total</b>	<b>\$439,209,012</b>	<b>2,269</b>

NRHA administers the MCC program in-house with a staff of six dedicated team members, one of which has been employed with NRHA for 14 years. On any given day, you are likely to find one of team members out in your community, providing homebuyer education, outreach to real estate professionals, and supporting your local lenders.

As Nevada experiences a long-hoped-for economic recovery, more and more families are seeking our help. NRHA is helping families overcome barriers to homeownership through our flagship Home At Last™ programs. Recognized as national award-winning programs, NRHA continuously strives to meet our mission to promote, provide and finance affordable housing opportunities for all rural Nevadans. As a result, our programs provide unprecedented access to credit, resulting in doors being opened so that rural Nevadans can afford to own a home of their own. Stable homeownership, as you know, is one of the cornerstones for building healthy communities.

To expedite the transfer of your PABC allocation to NRHA, we simply need a board resolution and a transfer certificate. Upon receiving your transfer, we will immediately combine it with transfers from other cities and counties to fund the continued operation of the NRHA MCC program.

Please note that the transfer of your bond cap does not obligate the City of Sparks in any way. If you have any questions about the transfer, your counsel or NRHA's tax counsel, Richard Jost at (702) 692-8008 can provide assistance.

We look forward to retaining your confidence and continuing our partnership to help more Nevadans into homes. I look forward to speaking with you in the next few days to answer any questions you might have.

Sincerely,



D. Gary Longaker  
Executive Director

Enclosures: 1  
Attachment 1: NRHA Program Map



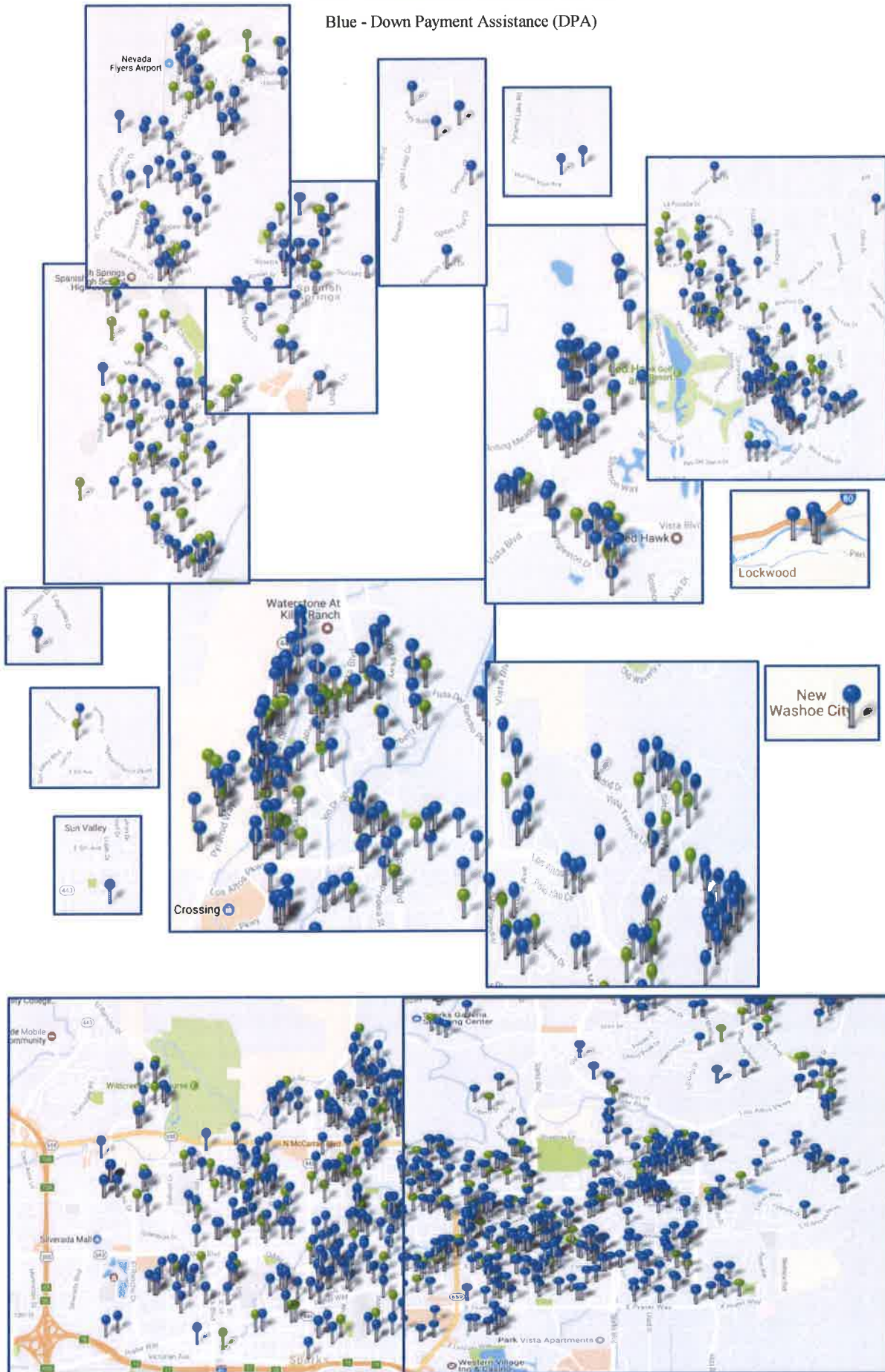


City of Sparks- Washoe County

Nevada Rural Housing Authority - Families Assisted Since 2006

Green - Mortgage Credit Certificates (MCCs)

Blue - Down Payment Assistance (DPA)

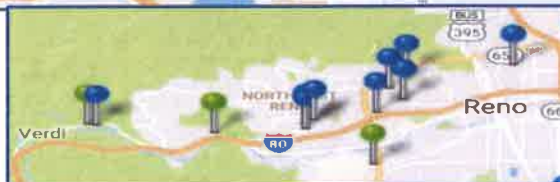
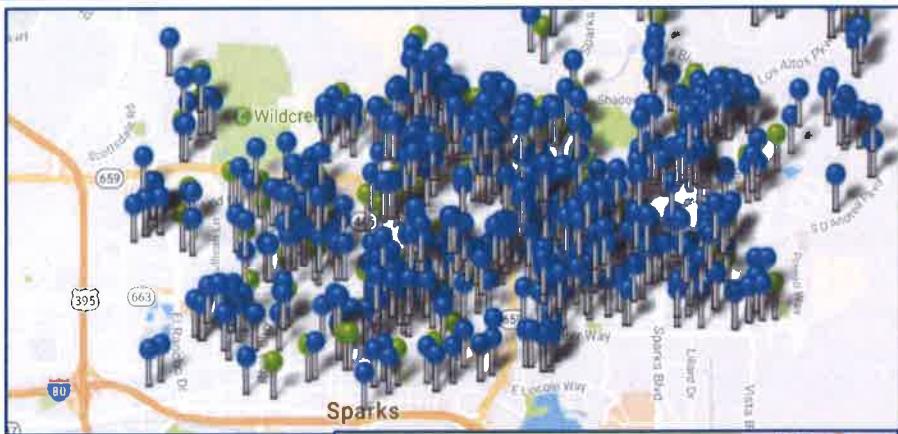
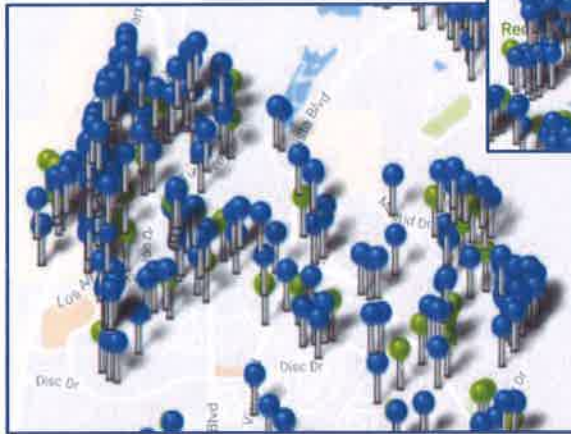
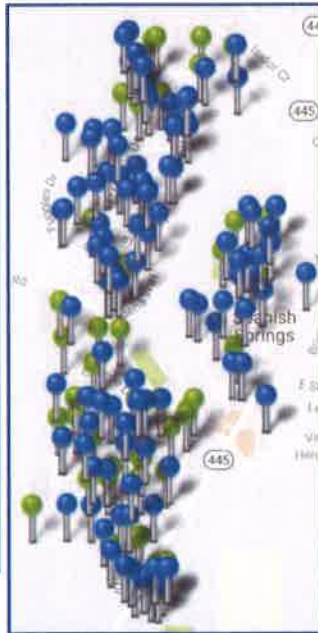


Washoe County

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A Program of  
Nevada Rural  
Housing Authority

## City of Sparks

Nevada Rural Housing Authority - Home At Last™ Economic Impact  
Mortgage Credit Certificate (MCC) & Down Payment Assistance (DPA)

### Washoe County - Total Program Performance (excludes Reno city limits)

- **\$440 Million** in mortgages provided (MCC & DPA)
- **\$8.9 Million** (MCC) Homeowner estimated tax savings - \$\$ reinvested into local economy
- **\$13.5 Million** (DPA) Down Payment Assistance provided
- **2,269 Families Assisted** (MCC & DPA)

### Statewide - Total Program Performance

- **\$1.1 Billion** in mortgages provided (MCC & DPA)
- **\$23 Million** (MCC) Homeowner estimated tax savings - \$\$ reinvested into local economy
- **\$47.7 Million** (DPA) Down Payment Assistance provided
- **6,207 Families Assisted** (MCC & DPA)

## Return on Investment

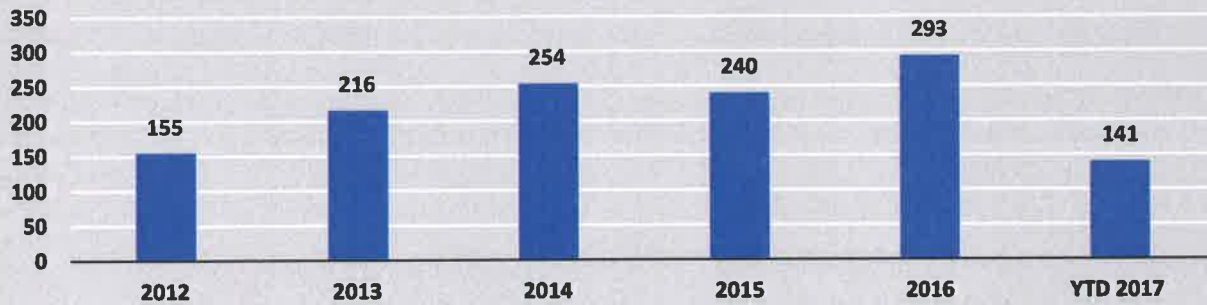
Utilizing Volume Cap to generate affordable & sustainable homeownership



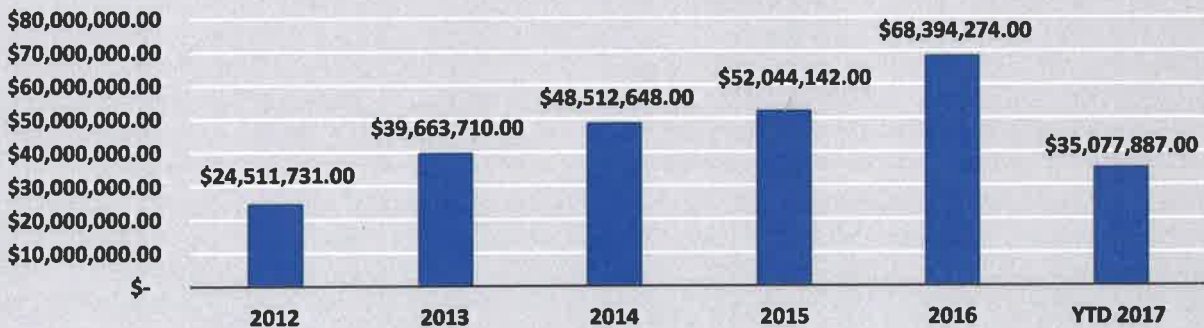
## City of Sparks Allocations Received & Loan Volume Generated 2009 - YTD 2017



## City of Sparks Families Assisted with MCC and/or DPA 2012 to YTD 2017 (YoY)



## City of Sparks Program Volume - Mortgages Generated 2012 - YTD (YoY)



## City of Sparks Veterans Assisted 2012 - YTD



**Average Loan Size in 2017**

\$239,002 - MCC

\$214,523 - Loans w/Grant Assistance

**Property Type**

85% Existing Homes

14% New Homes (purchased from builder)

77.5% Single Family Detached

18.08% Manufactured Housing

2.69% Townhouse

1.73% Condominium

**Average Household Annual Income in 2017**

\$63,039.14 – Loans w/Grant Assistance

**Ethnicity**

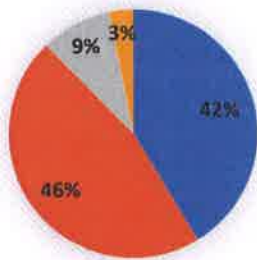
21.35% Hispanic

74.62% Non-Hispanic

4.04% Other

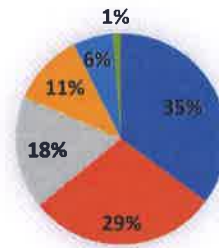
**Average Age of Primary Borrower: 37**

**Loan Type Report**



■ Fannie Mae HFA Preferred ■ FHA ■ USDA-RHS ■ VA

**Household Size Report**



■ 1- One Person ■ 2- Two Persons ■ 3- Three Persons  
■ 4- Four Persons ■ 5- Five Persons ■ 6- Six Persons