



Las Vegas

Agenda Item No.: **64.**

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: JULY 15, 2009

DEPARTMENT: NEIGHBORHOOD SERVICES
DIRECTOR: STEPHEN KUHARSIN

☐ Consent ☒ Discussion

SUBJECT:

Discussion and possible action on the City of Las Vegas Neighborhood Stabilization Plan 2 (NSP2) competitive application for \$1,023,443,000 of NSP2 funds through the American Recovery and Reinvestment Act (ARRA) stimulus funds specifically targeted for the City of Las Vegas on foreclosed acquisition and redevelopment projects and an update on the initial Neighborhood Stabilization Plan (NSP) previously approved as part of the Housing and Economic Recovery Act (HERA). All Wards

Fiscal Impact:

☐

No Impact

☐ Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

The County of Clark and cities of Las Vegas, Henderson, and North Las Vegas formed a consortium for the purpose of obtaining and administering the competitive NSP2 funding made available through the provisions of Public Law 111-005, American Recovery and Reinvestment Act of 2009 (ARRA) stimulus funds. The NSP2 Consortium completed a joint application for the competitive NSP2 funding process for a total request of \$367,298,000 outlining the amount of funding requested as well as the programs and strategies proposed by each jurisdiction. The competitive application must be submitted to HUD by July 17, 2009.

RECOMMENDATION:

Staff recommends approval of the NSP2 application and authorization of the Director of Neighborhood Services to submit the application in cooperation with the Southern Nevada NSP2 Consortium to the Department of Housing and Urban Development and execute all related documents.

BACKUP DOCUMENTATION:

1. Southern Nevada NSP2 Consortium Application
2. Submitted after Final Agenda PowerPoint Presentation by Staff

Motion made by GARY REESE to Approve

Passed For: 0; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

None; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

Minutes:

CITY COUNCIL MEETING OF: July 15, 2009

STEPHEN HARSIN, Director of Neighborhood Services, appeared with TIM WHITRIGHT, Neighborhood Development Manager. Using a PowerPoint Presentation which was submitted for the record, MR. HARSIN noted that the City had received approval for \$20.6 million through the Neighborhood Stabilization Plan 1 (NSP1), but clarified that the City has not yet received those funds. He briefly described the funding sources and how the money would be distributed. MR. HARSIN noted the challenges in seeking funding from the federal government which include working with the U.S. Department of Housing and Development (HUD) and the redirection of staff to other grant applications. Staff hoped to have NSP1 in operation by Fall 2009.

The purpose of the Neighborhood Stabilization Plan 2 (NSP2) is to reduce or eliminate foreclosed properties to stabilize neighborhoods in targeted census tracts primarily within Wards 3 and 6. The City has partnered with neighboring jurisdictions to submit an application for a competitive grant of \$367 million with \$102.6 million going to the City. These monies will support four stabilization programs: Homebuyer Assistance, Acquisition/Rehabilitation/Resale, Acquisition/Rehabilitation/Rental and Redevelopment. While 10 percent of these funds can be used for administrative costs, the City will only be using five percent.

MR. WHITRIGHT explained that the ZIP Codes within the targeted census tracts are 89131, 89143 and 89110 which have been hardest hit by the foreclosure crisis. He briefly explained the NSP2 regulations which require that 10 percent of the funds be used within three years, that the funds serve households at or below 120 percent of area median income with at least 25 percent of the funds serving households at 50 percent of area media income, that recipients receive a minimum of eight hours of housing counseling and any property acquired through this program must be at a discount of at least one percent. MR. WHITRIGHT pointed out the changing programs, regulations and interpretations are increasing the difficulty in applying for these funds and noted the City's situation is similar to what other jurisdictions are experiencing.

MR. WHITRIGHT stated that the deadlines for the NSP1 and NSP2 have not changed and COUNCILMAN BARLOW observed that the delay in the distribution of those grant monies increased the City's challenges in distributing those funds according to those timetables.

CITY MANAGER ELIZABETH FRETWELL informed MAYOR GOODMAN that the majority of the Troubled Assets Relief Program (TARP) funds had been released and she was unsure how the remainder had been distributed.

Going over the NSP2 timeframes, MR. WHITRIGHT stated this application must be submitted to HUD by July 17, 2009, and must score at least 115 points out of a possible 150 to be eligible. The required 10-day comment period had been held and, if approved by HUD, the City's funding agreements must be submitted to HUD by December 1, 2009.

COUNCILMAN ROSS pointed out how hard Neighborhood Services staff is working in pursuit of these funds and expressed his appreciation. COUNCILMAN REESE concurred.