

AGENDA MEMO

CITY COUNCIL MEETING DATE: APRIL 2, 2014

DEPARTMENT: PARKS, RECREATION AND NEIGHBORHOOD SERVICES

ITEM DESCRIPTION: For possible action to approve \$800,000 combined allocation of Home Investment Partnership Program (HOME) and Low Income Housing Trust Fund (LIHTF) funds to Nevada H.A.N.D., Inc. for rehabilitation work at the Desert Pines affordable family housing development located at 3750 E. Bonanza Road - Ward 3 (Coffin)

Nevada H.A.N.D., Inc.

\$800,000

- Desert Pines Family Apartments consists of 204 - two, three, and four- bedroom units serving large related families with low-income. The complex is currently home to 187 families with over 300 children.
- Improvements will include the replacement of HVAC systems, Water Heaters, exterior painting (entry doors and perimeter wall), sidewalks, landscaping and security cameras.
- The HVAC and Water heater replacement will increase the energy efficiency of the units, which will in turn reduce the utility costs for these low income families.
- The City allocated \$750,000 to Nevada HAND for the acquisition and rehabilitation of the property at the April 3, 2013 Council meeting. Since the acquisition, Nevada HAND has completed improvements to housing units and site work that has resulted in an increased occupancy rate from 70% to 92%. The City requires a minimum occupancy rate of 93% as an indicator of a financially healthy and sustainable development.
- This additional \$800,000 request brings the total city subsidy to \$1,550,000 or 17% of the total project acquisition and rehabilitation cost.

1. New Project budget

<u>Fund Source</u>	<u>Amount</u>	<u>Percent</u>
▪ Perm Debt	\$7,200,000	78%
▪ CLV HOME	\$1,550,000	17%
▪ Dev. Equity	\$ 512,000	5%.
▪ Total Cost	\$9,262,000	

- This additional rehabilitation funding will allow the Developer to maintain long-term affordability and provide for a final phase of repairs and capital improvements to revitalize the property and reduce utility costs for families with low income.