# Redevelopment Agency Minutes

Council Chambers · 495 South Main Street · Phone 702-229-6011
City of Las Vegas Internet Address: www.lasvegasnevada.gov

**January 6, 2021**
**8:30 AM**

## AGENDA

1. Call to Order

Minutes:
CHAIR GOODMAN called the meeting to order at 8:33 a.m.

PRESENT: CHAIR GOODMAN and MEMBERS ANTHONY, FIORE (via teleconference), CREAR, KNUDSEN, SEAMAN (excused until 8:36 a.m.), and DIAZ

ALSO PRESENT: JORGE CERVANTES, Executive Director, JEFF DOROCAK, Deputy City Attorney, and STACEY CAMPBELL, Acting Secretary

2. Announcement Re: Compliance with Open Meeting Law

Minutes:
ANNOUNCEMENT MADE: This meeting has been properly noticed and posted at the following locations in accordance with the State of Nevada Executive Department Declaration of Emergency Directive 006: The City of Las Vegas website – www.lasvegasnevada.gov and The Nevada Public Notice Website – notice.nv.gov.

3. Public comment during this portion of the agenda must be limited to matters on the agenda for action. If you wish to be heard, come to the podium and give your name for the record. The amount of discussion, as well as the amount of time any single speaker is allowed, may be limited.

Minutes:
ACTING SECRETARY STACEY CAMPBELL and DEPUTY CITY ATTORNEY JEFF DOROCAK read e-comments received online, copies of which were attached as backup.

4. For possible action to approve the Final Minutes by reference of the regular Redevelopment Agency Meeting of December 2, 2020

Motion made by Stavros Anthony to Approve

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

For-Victoria Seaman, Cedric Crear, Stavros Anthony, Carolyn Goodman, Michele Fiore, Brian Knudsen, Olivia Diaz;

## REDEVELOPMENT AREA

5. RA-1-2021 - Discussion for possible action regarding a Resolution finding the project proposed by the Disposition and Development Agreement (DDA) between the Las Vegas Redevelopment Agency and Community Development Programs Center of Nevada, Inc. (Developer) for the property located at 1501 North Decatur Boulevard to be in compliance with and in furtherance of the goals and objectives of the Redevelopment Plan - Redevelopment Area - Ward 5 (Crear) [NOTE: This item is related to Council Item 25 (R-1-2021)]

Minutes:
Using a PowerPoint presentation, a copy of which was submitted and attached as backup, BILL ARENT, Director of Economic and Urban Development, appeared with FRANK HAWKINS, Community Development Programs Center of Nevada (CDPCN), Inc. MR. ARENT explained the site, which is currently owned by the Redevelopment Agency, is located in an urban area near Vegas Drive and Decatur Boulevard. The property is split between two parcels of land, and the piece up for discussion is the six-acre parcel. The adjacent 3.9-acre piece was previously sold to a private party.

MR. ARENT said this project is a response to a Request for Proposal (RFP) issued by the City Purchasing Department in 2016, which asked for proposals to redevelop either the six acre property, or the property together with the adjacent 3.9-acre commercial property. There was only one respondent to the RFP, which was CDPCN. MR. ARENT noted that this site had been used for commercial activities in the past, and there were some environmental contaminants. The City worked with the Nevada Department of Environmental Protection (NDEP), and later received a no further action letter in 2018. Agency staff then negotiated with MR. HAWKINS, who is proposing to build affordable housing. The need for affordable housing is self-evident, and a study concluded that there is a need for more than 180,000 affordable housing units in Clark County. Additionally, MR. ARENT pointed out that home prices are on the rise, and lower-income households are left at a disadvantage. MR. HAWKINS provided a list of past projects he had completed prior to 2016, and his affordable housing projects have always been a success.

MR. ARENT said the Agency acquired the land for $2.9 million in 2000, and $1.3 million was received during the sale of the 3.9-acre site. The Agency appraised the six-acre property at $2,130,000, but a 0.5-acre piece was taken out for future commercial development, leaving the property valued at $1,670,000. The developer is requesting a land contribution from the Agency at no cost, and the project would be built in two phases.

CHAIR GOODMAN inquired if the 0.5-acre parcel would be retained by the City, and MR. ARENT said the Agency will retain that property and seek to develop it commercially or another use that is deemed appropriate for the area.

MR. ARENT gave an overview of the requirements set forth by the contract. The developer must build affordable housing units, and the Agency will have an opportunity to approve the final project scope and verify that project funding is in place prior to selling the property. Additionally, the Agency would record a deed restriction and use that restriction for 50 years. CHAIR GOODMAN asked if this was an opportunity zone, and MR. ARENT said it is not, and there is a typical set of funding sources that will make these projects work. In the event that the developer defaults, the Agency would have the right to repurchase the property, and the City Council would also have the opportunity to review the project design through the normal entitlement process. The first phase includes the land sale closing in July of 2022, construction starting on 8/6/2022, and a projected completion date of 1/6/2024. The second phase includes applying for tax credits in May of 2022, land sale closing and construction beginning no later than November of 2022, and a projected completion in May of 2024. MR. ARENT concluded by explaining the action requested by the Agency is to approve the Disposition and Development Agreement (DDA) with the project developer. The developer would then have 18 months to secure funding, close on the property purchase and begin the first phase. The Agency will also market the remaining 0.5 acre commercial property for redevelopment.

For consistency purposes, MR. ARENT noted that a few contractual language additions were made. A copy of the changes were submitted for the record and attached as backup. MR. HAWKINS confirmed he was in agreement with the changes.

MEMBER ANTHONY asked how long the RFP process was open, and MR. ARENT said it was open from January through February of 2016. MEMBER ANTHONY then asked if the RFP stipulated that the development had to be for affordable housing, and MR. ARENT said it was not specific for any product; rather, it was open for residential or commercial development. MEMBER ANTHONY confirmed through MR. ARENT that MR.

HAWKINS and his firm was the only developer to submit an RFP.

CHAIR GOODMAN reiterated that this was not an opportunity zone, and MR. ARENT added that there are a lot of funding sources that the developer does not have available to him.

MR. HAWKINS said this project has been in motion since 2012, when he worked with former COUNCILMAN McDONALD. The City Council approved a basic transaction, and his firm was successful in applying for tax credits; however, the State would not allow the project to go forward and pulled the tax credits back. A few years later, his firm came back and developed bungalows in two phases. MR. HAWKINS said the site has had many soil issues, but his firm wants to carry out their commitment to the site. His firm has built affordable housing all over the Valley, and they take great pride in building in the toughest areas. He also spoke of a deal he had with the property owners of the adjacent parcel to build a bigger project, but the City did not allow them to do their soil study because there was concern that the letter from the NDEP would open up other issues. MR. HAWKINS then digressed, and said another commercial developer asked to buy the 0.5-acre parcel two years ago. His firm offered to give that piece back because the City still wanted to have commercial development on the site. In closing, MR. HAWKINS said he does not think for-sale housing will work in an area that sees 40,000 cars per day. He asked the Agency to support the recommendation to move forward with the project, and he reiterated that this is not a new development.

At the Chair's request, CHIEF COMMUNITY SERVICES OFFICER DR. LISA MORRIS HIBBLER said the National Low-Income Housing Coalition 2019 gap analysis indicated that Nevada has the largest shortage of affordable housing in the country, and there are only 19 affordable units available per 100 households earning 30 percent or less of the area median income. County-wide, there is an unmet need of 186,000 units and an estimated need of 66,000 to 73,000 units within the city of Las Vegas specifically. DR. HIBBLER expressed that there is an affordability issue as the housing rates continue to go up and push people out. Currently, the city brings on about 1,000 new units a year, and there are currently eight projects in Wards 1, 3 and 5 underway. Staff is also looking at other opportunities for development across Wards 2 and 6. MAYOR GOODMAN pointed out that these numbers were done pre-pandemic, and DR. HIBBLER anticipated that the need will only increase as the pandemic has made it more difficult for residents to access housing at an affordable rate.

MEMBER FIORE said this is a large project that has been going on for a while, yet she had only heard about this for the first time during a briefing earlier in the week. She was concerned that the City was going to sell the land to this developer for $1, but she heard that another developer was willing to purchase the land for $2.5 million. She acknowledged the need for affordable housing, but requested that staff educate the Members more in advance.

MEMBER SEAMAN said her position on this project has nothing to do with MR. HAWKINS, who is a great developer. She understood the need for more affordable housing, but she wondered if this is the right project for the location, and whether or not the City is getting true value from the property. The RFP process started in 2016, and things are much different now. While the financial aspect of letting an asset valued at $2.2 million go for $1 is something that will always concern her, several other issues concern her including the fact that this area already is concentrated with a lot of affordable housing. When the original RFP went out, it called for mixed and commercial use. Further, the entire site will not be developed and it leaves a big piece of land vacant, and the City should consider development that deals with the entire parcel while bringing improvement and diversity to the neighborhood. The Councilwoman also noted that there is no guarantee that anything ever gets built; it only starts the 18-month process to see if financing can be obtained. With the value of the property, the City could sell it and use that money to fund low-income projects that are already underway. Affordable housing is needed now, not years from now and that is why she will not be supporting the project.

MEMBER DIAZ appreciated MR. HAWKINS detailing the history behind this project, and she acknowledged that the city is in a housing crisis and people need stability. The City needs to do their due diligence and offer these opportunities to the community. She asked about the makeup of potential residents and the offerings that may be provided to them at this development. MR. HAWKINS said there will 100 units, and each unit will have one or two bedrooms. He noted that three bedroom units were considered, but there is ultimately not enough room if the developer wants to provide other amenities such as a computer room. He foresaw that residents will include teachers, police officers, maintenance workers and casino employees. He added that if more affordable housing is not built, more problems will arise. Rents will never exceed 45 percent of the area median income, regardless of what happens in the market, and these units will be affordable for the working person. If the Agency sold the land to a private developer that is not interested in the community, the money will only go back into redevelopment. MEMBER DIAZ said many people think of affordable housing in a negative connotation, and asked MR. HAWKINS to speak to the amenities of this lot and how they will be maintained. MR. HAWKINS said his firm formed their own property management company, and they operate seven days a week. It is critical that control over the site is maintained, and they have relationships with the people who live there. Their goal is to help communities all across Nevada take care of the working person. MEMBER DIAZ said this type of development is not seen in wards other than Wards 1, 3 and 5, and it is important that this type of development is shared all across the city. She hoped the City can work on expanding access to affordable housing and not over concentrating certain areas. MR. HAWKINS added that people often do not recognize his developments as affordable housing.

MEMBER KNUDSEN said many people reach out to him who are needing different accommodations than what the Housing Authority can provide. He said Las Vegas is providing about 16 percent of the housing need, and the recent reports surrounding why businesses are not coming to Nevada also involves housing. For him, this has become a moral and complex issue. Affordable housing developments require land, financing, political will, construction and management. It would behoove him to not support this project because this is something the City needs to start doing everywhere. He spent a lot of time thinking about the financial aspect of this, but if the City were to sell the land at $2.5 million, that could only support 33 units. This deal brings more units and creates a better opportunity for community members. In closing, he said MR. HAWKINS' record speaks for itself, and appreciated the opportunity for the City to bring more affordable housing to its constituents.

MEMBER CREAR said he understood where the other members are coming from, but felt there is value with this project. He said these have been long term negotiations, and the developer already has the first phase complete. It would be bad business ethics for the City to uproot this project, and he reiterated that this developer was the only one who responded to the RFP when anybody else in the country could have submitted their plans. This lot has sat empty for a long time, and he felt this was a great area for development. He also noted that affordable housing has a negative stigma attached to it, but it is unwarranted. He has seen units all over the country that do not look like affordable housing, and he knew MR. HAWKINS would build a beautiful project. The City does not have any inclusionary zoning programs in place that would attract developers, and this one way of doing it. Affordable housing is the biggest issue faced by people all over the country, and MR. HAWKINS has put a lot of time, money and effort into this project. COUNCILMAN CREAR voiced his support for the project, and reiterated that it is time to move forward.

CHAIR GOODMAN thanked MR. HAWKINS for the presentation, and said her office consistently gets calls from constituents looking for help. This type of opportunity is limited, and the Mayor said although she would like the help everyone, the responsibility of this Council is only within the boundaries of the city of Las Vegas. She hoped this development would inspire other cities and the Governor would realize that things are worse with all of the COVID-19 restrictions in place. The 24/7 service MR. HAWKINS provides is critical, and she thanked him for bringing this forward. In closing, the Mayor asked that the project move forward as quickly as possible, and thanked all the City staff members that helped her to understand the project.

MEMBER FIORE said she will be supporting MR. HAWKINS and this project, but reiterated the need for more communication from City staff.

Motion made by Cedric Crear to Approve subject to contract language additions and amendments read into the record by staff

Passed For: 6; Against: 1; Abstain: 0; Did Not Vote: 0; Excused: 0

For-Cedric Crear, Stavros Anthony, Carolyn Goodman, Michele Fiore, Brian Knudsen, Olivia Diaz; Against-Victoria Seaman;

6. RA-2-2021 - Discussion for possible action regarding a Resolution finding that the project proposed by the Tenant Owner Participation Agreement (TOPA) between the City of Las Vegas Redevelopment Agency (RDA) and I Scream You Scream LLC (Tenant Owner) for improvements including new neon signs, awning, and paint for two businesses located at 517 Fremont Street (APN 139-34-611-016) to be in compliance with and in furtherance of the goals and objectives of the Redevelopment Plan and authorizing the execution of the TOPA by the RDA (Not-to-Exceed $50,000 - RDA Special Revenue Fund) - Redevelopment Area - Ward 3 (Diaz) [NOTE: This item is related

to Council Item 26 (R-2-2021)]

Minutes:
BILL ARENT, Director of Economic and Urban Development, appeared with applicant RYAN DOHERTY, and said long time Fremont patrons may remember this building for housing Don't Tell Mama and Beauty Bar. The evolution of this property now is for two businesses: Cheap Shot, a comedy club, and We All Scream, an ice cream shop. Both businesses are owned by MR. DOHERTY, and the project includes new paint and neon signage. The applicant is investing over $70,000 in exterior improvements, and because there are two businesses going in to this property, MR. ARENT recommended approval of a $50,000 grant to support the investment. In closing, MR. ARENT expressed his appreciation to MR. DOHERTY for his investments into other Fremont properties.

MR. DOHERTY said We All Scream will be a two-level 900 person nightclub with a small ice cream window, and Cheap Shot will be a 90-seat theater room.

MEMBER KNUDSEN said he loves Fremont East because of what MR. DOHERTY has done and will be in full support of this project.

MEMBER DIAZ said it has been a tough year for small businesses, and appreciated MR. DOHERTY'S perseverance and his level of commitment to Fremont East.

Subsequent to the motion and vote, CHAIR GOODMAN asked when these venues might open, and MR. DOHERTY hoped to line up the 18-week construction timeline with the reopening of dance clubs and other performance venues.

Motion made by Olivia Diaz to Approve

Passed For: 6; Against: 0; Abstain: 0; Did Not Vote: 1; Excused: 0

For-Victoria Seaman, Cedric Crear, Carolyn Goodman, Michele Fiore, Brian Knudsen, Olivia Diaz; Did Not Vote-Stavros Anthony;

7. RA-3-2021 - Discussion for possible action regarding a Resolution finding that the project proposed by the Owner Participation Agreement (OPA) between the City of Las Vegas Redevelopment Agency (RDA) and Good Hood LLC (Owner) located at 201 South Las Vegas Boulevard (APN 139-34-601-018) to be in compliance with and in furtherance of the goals and objectives of the Redevelopment Plan and authorizing the execution of the OPA by the RDA (Not-to-Exceed $95,000 - RDA Special Revenue Fund) - Redevelopment Area - Ward 3 (Diaz) [NOTE: This item is related to Council Item 27 (R-3-2021)]

Minutes:
BILL ARENT, Director of Economic and Urban Development, thanked JOHN CURRAN and Dapper Companies for their continued investment into Downtown. The applicant will be renovating the former post office at the corner of Las Vegas Boulevard and Carson Avenue. It is a three-story building that will include a restaurant, office space and a roof-top restaurant and bar. The applicant will also add new parking to the east, and the developer has asked for some assistance to cover the costs. Staff therefore recommended a grant of $95,000, and renovations should be complete by November of 2021.

MR. CURRAN said they have been working on this project for two years, and they are ready to pull building permits. Their construction loan should close in the next couple weeks and construction will officially start at the end of the month. MR. CURRAN felt this is a transformative project, and this grant will be a tremendous help.

CHAIR GOODMAN pointed out that MR. ARENT and MR. CURRAN both graduated from the University of Pennsylvania.

MEMBER DIAZ was happy to see the developers are keeping many of the building's aesthetics. She asked what the expected completion date is and when the post office employees will be back, and MR. CURRAN anticipated construction will take 10 months. Moving the post office back in is their first priority, and they hope to have them back in by October.

Motion made by Olivia Diaz to Approve

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

For-Victoria Seaman, Cedric Crear, Stavros Anthony, Carolyn Goodman, Michele Fiore, Brian Knudsen, Olivia Diaz;

## CITIZENS PARTICIPATION

8. Citizens Participation: Public comment during this portion of the agenda must be limited to matters within the jurisdiction of the Redevelopment Agency. No subject may be acted upon by the Redevelopment Agency unless that subject is on the agenda and is scheduled for action. If you wish to be heard, come to the podium and give your name for the record. The amount of discussion on any single subject, as well as the amount of time any single speaker is allowed, may be limited.

Minutes:
DEPUTY CITY ATTORNEY JEFF DOROCAK read an e-comment received online, a copy of which was attached as backup.

JENNIFER YOUNG said she has sent MEMBER CREAR photos of G Street and nearby areas. There are fires everywhere and she worried that many people will lose their lives in the event of an uncontrollable fire. She said there are tents all over Las Vegas Boulevard, and asked what will be done to protect the Westside citizens. Further, MS. YOUNG said she attempted to take Christmas presents to the Courtyard, but was turned away and asked to take her donations to the individuals in tents on G Street. CHAIR GOODMAN called upon CHIEF COMMUNITY SERVICES OFFICER DR. LISA MORRIS HIBBLER, who met with MS. YOUNG privately.

The meeting was adjourned at 10:02 a.m.

Respectfully submitted:

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Cheyenne LaRance, Deputy City Clerk

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Stacey Campbell, MMC, Acting Secretary

THIS MEETING WAS PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS
IN ACCORDANCE WITH THE STATE OF NEVADA EXECUTIVE DEPARTMENT
DECLARATION OF EMERGENCY DIRECTIVE 006
The City of Las Vegas website – www.lasvegasnevada.gov
and
The Nevada Public Notice Website – notice.nv.gov