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HUD deputy secretary praises local use of housing grant money

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02.05.10 - 08:00 pm



SPARKS — An old home with a new look received several dozen visitors on Friday as the No. 2 man from U.S. Housing and Urban Development came to get an up-close look at how some federal grant money is being spent.



Ron Sims, deputy secretary for HUD, lauded local officials for working together to get more than \$25 million in federal grant money to buy, fix up and rent or sell foreclosed homes in the Truckee Meadows. Flanked by U.S. and Nevada flags, Sims stood at a podium set up at the corner of the home at 1730 Oppio St., where contractors had just completed more than \$30,000 in work to put the house in top form to go up for sale.

“The president had made it very clear that we will not stand by as an administration and see neighborhoods lost,” Sims said as he opened his remarks to the crowd, which included mayors Bob Cashell of Reno and Geno Martini of Sparks, representatives from Sens. Harry Reid’s and John Ensign’s offices, various city employees and contractors who have been working on homes in the program. “It is important that we emphasize the role of home and community.”

He added that the city and county governments are “not lodged in

a silo of indifference to each other.” Grants are given to areas that speak in one voice, he said.

Twelve homes in Sparks have been targeted by the Reno Housing Authority for the program, which under agreement also works with Sparks and Washoe County. The authority received an initial \$4.2 million in Neighborhood Stabilization Program grants under the Housing and Economic Recovery Act of 2008 and is expected to finalize another \$20 million in the next month.

A total of 52 homes are so far identified to be purchased throughout Sparks, Sun Valley, Stead and the Oliver/Montello area of Reno. The funds will eventually go toward the purchase and rehabilitation of 200 homes.

The homes being rehabilitated in Sparks are in a variety of neighborhoods, though many cluster in the areas around Rock Boulevard north of Victorian Avenue. The home on Oppio Street was purchased by the housing authority for \$111,000, according to executive director David Morton. Under the law, he said, the home cannot be sold for more than the total cost to buy and fix up the home, so the Oppio residence must sell for about \$141,000. If the market demands, he added, the house can sell for less.

The home next door, at 1760 Oppio St., is listed for sale at \$169,000. The rehabilitated house at 1730 could be on the market within a few weeks, Morton said.

Under the program, homes that are put up for sale must go to “median income” buyers. Morton said that median group is defined as a buyer with no more than 120 percent of the median income for Washoe County and no less than 50 percent. Lower than that qualifies as “low income,” which qualifies for homes that are rented under the HUD program. Buyers for these houses must be first-time home buyers and can receive up to \$20,000 in assistance, \$15,000 of which will be forgiven if they stay in the home for 15 years. Buyers will be required to attend credit counseling to help ensure continued stability in ownership.

Maintaining the quality of the neighborhood is a concern not just for government officials but also for residents. Morton said there

is always a concern when neighbors hear that HUD is moving into an area because it is often associated with low income and the possible crime and other problems that come with it.

Husband and wife Matthew and Lacey McLellan live across from 1730 Oppio and shared that concern. They moved into the area a year ago but the home they live in has been in the family since 1963. They said they were concerned about the type of neighbors the program might bring to the area and that they don't want one irresponsible homeowner to drag property values down even more.

"It's just some people don't care," Matthew said. "I'd hate to see someone come in and not take care of it."

Dana Provenzano has lived two houses down from the HUD house for more than 30 years and said the overall quality of the neighborhood is still good enough that she would like her grown sons to be able to buy the houses near her eventually.

"It's still maintaining its own," she said.

Sparks Mayor Geno Martini observed that the Oppio Street neighborhood is in generally good condition and said it is common to see such areas where there are just pockets of properties that are in bad condition.

"It's just a sign of the economic times," he said before entering the house to see the work done to the inside. "There are people really struggling and there are going to be people who need help in every part of the city."

While the funds are attempting to stabilize neighborhoods, another purpose is to create jobs. Two local contractors at Friday's event said they have been helped by the work created by the federal grant money.

Dana McEvers, owner of Thunder Roofing in Sparks, said his company has done 10 jobs through the housing authority. His staff has been cut in half over the last two years because business is down by about 60 percent. These jobs aren't growing his

business, he said, but it is providing work.

“More than anything it gives our guys something to do,” he said.

Roque Olivas, owner of I.T. Heating and Air in Reno, installed the swamp cooler on 1730 Oppio and has worked on about 20 other jobs through the housing authority. His work load is down by about half for his four-person business, which formerly employed six people before the recession. Things are looking up, he said, partly because of the work created by the housing grants. He hopes he can bring back his other workers soon.

“Things are real hopeful,” he said. “Things are definitely looking up.”

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