

MINUTES OF THE SPECIAL MEETING
HOUSING AUTHORITY OF THE CITY OF RENO
BOARD OF COMMISSIONERS
November 24, 2020

The special meeting of the Board of Commissioners of the Housing Authority of the City of Reno (Agency) was called to order by Chairman Sullivan at 12:10 pm on Tuesday, November 24, 2020. Pursuant to Governor Sisolak's March 22, 2020 Declaration of Emergency Directive 006, the requirement contained in NRS 241.023(1)(b), that there be a physical location designated for meetings of public bodies where members of the public are permitted to attend and participate, is suspended in order to mitigate against the possible exposure or transmission of the COVID-19 (Corona Virus). This meeting was held by video/telephone conference.

Commissioners Present

Mark Sullivan, Chairman
Mayor Hillary Schieve **joined at 12:14 pm**
Dave Aiazzi
Barbara Wilhelms

Commissioners Absent

Dick Scott, Vice Chairman

Staff Present

Amy Jones, Executive Director
Chuck Zeh, Legal Counsel
Mishon Hurst, Deputy Executive Director
Ryan Aeschlimann, Director of Administration
Samantha Arellano, IT Manager
Kathy Merrill, Executive Administrative Assistant

Staff Absent

Others Present

No others were present.

There being a quorum present, the order of business was as follows:

- **Call to order and roll call.**
- **Receive introduction of guests.**
- **Public Comment. Public comment, if any, must be limited to any item on the Agenda which is listed as an item for action by the Board. Comment from the public is limited to three minutes per person, under these items.**

There was no public comment.

- **Approval of agenda (For Possible Action)**

Commissioner Wilhelms moved to approve the agenda posted on November 19, 2020. Commissioner Aiazzi seconded the motion. Hearing no further discussion, Chairman Sullivan called for the question. The vote was all ayes, no nays. Chairman Sullivan declared the motion carried and the agenda approved.

1. **Closed Session: Continuation of item from previous regular Board meeting of the Reno Housing Authority held November 17, 2020 regarding the acquisition with the City of Reno of two parcels, APN 008-211-46 and APN 008-211-43. The acquisition includes a lease back to the Seller of the two parcels. Closed session to deliberate upon whether to purchase two parcels in partnership with the City of Reno, APN 008-211-46 and APN 008-211-43, totaling 9.35 acres, identified in exhibit 201106-A. No action may be taken on this item during the closed session, but the Board may deliberate in private concerning the purchase agreement in partnership with the City being placed on the table as well as to consider possible options that might be available to the RHA as possible counter proposals. (Not for possible action. The Board may deliberate but not decide or take any action other than to return to open session.)**

Commissioner Wilhelms moved to go into closed session of the Reno Housing Authority's Board of Commissioners meeting at 12:14 pm. Commissioner Aiazzi seconded. Hearing no further discussion, Chairman Sullivan called for the question. The vote was all ayes, no nays. Chairman Sullivan declared the motion carried.

2. **Open Session: Consider proposal from the City of Reno to acquire with the City of Reno two parcels, APN 008-211-46 and APN 008-211-43. As being proposed, this acquisition contemplates a lease back to the Seller of the two parcels and the execution by the City of Reno of an Inter-local agreement which sets forth the relationship of the City and the RHA in connection with the acquisition of the two parcels. The Board will review for its satisfaction all of the documents which will comprise this transaction including a purchase and sale agreement of the parcels, the Inter-local Agreement and the Lease Back agreement. The Board will also consider the purchase price of \$11,150,000 for the two parcels, a net of \$4,000,000 as the RHA's share of the purchase price. The Board will give direction to staff which may include, but not be limited to, accepting the deal as proposed, authorizing the Executive Director, with legal counsel to enter into negotiations with the City of Reno to exercise their efforts to secure a better deal than as proposed or to counter the transaction being proposed by the City of Reno. The Board may, in the alternative, set the terms of the transaction and direct the Executive Director and legal counsel to reach an agreement with the City consistent with the terms set by the Board, or the Board could consider whether to table this item for consideration at a later date. (For Possible Action)**

Open session of the Reno Housing Authority's Board meeting was called by Chairman Sullivan at 1:08 pm. All Board members previously present were confirmed in attendance by Executive Director Jones. No action was taken during the closed session of the meeting.

Executive Director Jones indicated there are three separate documents before the Board for consideration. The first document is the Purchase and Sale Agreement where the Reno Housing Authority (RHA) would be purchasing two parcels, APN 008-211-46 and APN 008-211-43 with the City of Reno (City) as joint tenants. The current purchase price for both parcels is \$11.5 million. The RHA would be responsible for \$5.15 million of the cost for approximately 4.75 acres of the parcels. The City is committing to reimburse the RHA \$1.15 million in Community Block Development Grant (CBDG) funds for the acquisition of the site. The first document before the Board today is the Purchase and Sale Agreement. The second document is the Lease Back Agreement with the current seller. The current seller operates an RV storage site on the parcels. The RV storage site would be allowed to continue to operate their business for the next 12 months. The amount of the lease is \$1.00. This will allow the sellers the opportunity to transition their business to another location. The third document is the Interlocal Agreement between the RHA and the City. The details of that document include the CBDG

funds and the timeline in which the City will reimburse the RHA. The City has committed to providing all hazard waste remediation on the site, as well as assurance to the RHA that the standard due diligence period to review all of the documents and that the City will indemnify the RHA and hold harmless. The transaction is slated to close by December 3, 2020, which is the date the RHA will need to deposit \$5.15 million into the escrow account for the sale. This is a unique opportunity for the RHA to branch out into a different housing model that will further support the community. The need in our community to house our homeless population is growing. This is a great opportunity for the RHA to help. The “campus” idea is an excellent way to provide needed resources in one location for this population. Partnering with the City of Reno, City of Sparks, Washoe County in this project is an exciting endeavor that the RHA staff is eager to be part of. Executive Director Jones further thanked the Board for considering this project and supporting the City in this endeavor.

Legal Counsel Zeh commented he would like direction from the Board as to all of the documents that are included in the agenda item in order to proceed with the City appropriately.

Commissioner Aiazzi indicated he would like to see clarity of a proper easement with the City for future RHA development, ability for further parceling on the RHA’s portion of property to use CDBG money. In regards to the Lease Back Agreement, the tenants would need permission from the landlord (RHA) for any change in use or before submitting for a building permit, in which approval would not be unduly withheld.

Chairman Sullivan pointed out that the area within the Interlocal Agreement regarding the lease, would not affect RHA because it is not located on RHA property. The missing exhibits that are germane to the conversation that is before the Board today. The Interlocal Agreement is comprehensive as is. At least one of the buildings on the property is being used for extensive storage of miscellaneous items. Chairman Sullivan questioned the removal of these items. Legal Counsel Zeh indicated a discussion was had with the City about taking responsibility to perform the cleanup which will need to be added to the agreement. Chairman Sullivan commented that the Board discussed section six (6); Defaults and Remedies and concluded those two subsection B do not apply to the City or the RHA. The RHA feels there are some things that are germane to the City that are not relevant to the RHA. Legal Counsel Zeh indicated those items are equals.

Chairman Sullivan indicated the Board also discussed the Lease Back Agreement which is between the City and Wells Cargo when it is going to be on the property ultimately owned by the RHA. Legal Counsel Zeh indicated the landlords will be both the City and the RHA, becoming tenants in common, in which the RHA will ultimately own the parcel. The RHA will require a property description to describe the lease hold estate to identify the specific location of the parcels.

Executive Director Jones indicated the RHA property would hold transitional housing for those in the shelter that are ready to take the next step in self-sufficiency. These individuals would continue to work with the onsite case managers on the skills they need to become self-sufficient to live in permanent housing on their own. Staff and the Board will discuss detailed specifics for the property to best serve this population.

Commissioner Aiazzi motioned to grant authority to the Executive Director and to the Chairman to sign these documents after they have negotiated the points discussed during this open session with the City. Commissioner Wilhelms seconded. Hearing no further discussion, Chairman Sullivan called for the question. The vote was all ayes, no nays. Chairman Sullivan declared the motion carried.

3. **Additional items:**

- i) General matters of concern to Board Members regarding matters not appearing on the Agenda. (Discussion)

Commissioner Aiazzi commended Executive Director Jones, Legal Counsel Zeh, and the parties involved for their quick action to give this opportunity to the RHA. He further commended Executive Director Jones for taking such a strong lead in the project as it will be very beneficial for the community.

Chairman Sullivan echoed the same sentiments also including that this project is going to be a challenge with all of the moving parts. This is a step in the right direction showing that Executive Director Jones and the RHA staff are capable of making such a grand venture possible.

- ii) Reports on conferences and trainings. (Discussion)

There were no reports on conferences and trainings.

- iii) Old and New Business. (Discussion)

There were no Old or New Business to discuss.

- iv) Schedule of next meeting. The following dates have been scheduled in advance but are subject to change at any time: December 15, 2020, January 26, 2021; and February 23, 2021. (For Possible Action)

4. **Public Comment. The opportunity for public comment is reserved for any matter within the jurisdiction of the Board. No action on such an item may be taken by the Board unless and until the matter has been noticed as an action item. Comment from the public is limited to three minutes per person.**

There was no public comment.

5. **Adjournment.** (For Possible Action)

Commissioner Wilhelms moved to adjourn the meeting. Commissioner Aiazzi seconded the motion. Hearing no further discussion, Chairman Sullivan called for the question. The vote was all ayes and no nays. Chairman Sullivan declared the motion carried and the meeting adjourned at 1:26 pm.