

MINUTES OF THE
DEVELOPMENT COMMITTEE JOINT BOARD MEETING
HOUSING AUTHORITY OF THE CITY OF RENO
July 15, 2021

The Joint Board meeting of the Development Committee and the Board of Commissioners of the Housing Authority of the City of Reno (Agency) was called to order by Executive Director Jones at 12:04 pm on Thursday, July 15, 2021 in the Agency's Boardroom. A quorum of the Development Committee was not present. The Development Committee members present appeared as members of the public.

Commissioners Present

Mark Sullivan, Chairman
Dave Aiazzi, Vice Chairman **via phone**
Mayor Hillary Schieve **via phone**
Oscar Delgado
Barbara Wilhelms **via phone**

Commissioners Absent

Staff Present

Amy Jones, Executive Director
Chuck Zeh, Legal Counsel
Heidi McKendree, Director of Rental Assistance
Shanika Bumphurs, Director of Asset Management
Jay Earl, Director of Development
Linda Long, Acting Director of Administration
April Conway, Public Information Officer
Kathy Merrill, Executive Administrative Assistant

Staff Absent

Others Present

Britton Griffith, RHA Development Committee Chair
Allyson Wong, RHA Development Committee Vice Chair **via phone**

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

- **Call to order and roll call.**
- **Receive introduction of guests.**

Britton Griffith, RHA Development Committee Chair
Allyson Wong, RHA Development Committee Vice Chair **via phone**

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)**

Executive Director Jones requested to omit items one (1) and three (3) from the agenda as they apply only to the Development Committee which is not present with a quorum.

Commissioner Wilhelms moved to approve the agenda posted on July 12, 2021 omitting items one (1) and three (3). Vice Chairman 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. Approval of the minutes of the RHA Development committee meeting held January 28, 2021. (For Possible Action)

No action was taken on this item.

2. Discussion of the Development Committee role. The Board of Commissioners may provide direction to the Committee and RHA staff to set goals. The discussion may include but is not limited to the creation of a Development Master Plan, criteria of property acquisition, criteria of RHA owned property disposition, review of current RHA owned properties to include both multifamily and single-family housing, consideration of supportive services that may be aligned with the specific site, and financing options. (For Possible Action)

Executive Director Jones reviewed the properties owned by the Agency.

Executive Director Jones discussed the need for a larger administration office indicating the Agency would need an estimated 30,000 square foot building in order to house current staff and to prepare for future growth. Due to insufficient space at the main office, several staff have been moved to the Silverada Manor Clubhouse. Efficiency and communications would improve with all staff housed within the same building. This need should be addressed as an immediate need. Other Agency sites house community rooms, the maintenance shop, and staff office space that may need to be considered for the new space. Location of the administrative offices would need to be near bus lines and where current clients can have easy access.

Funding sources that have been utilized in the past to be considered for future development include 9% tax credits which could be used to purchase an administrative building and new development of property. In Northern Nevada, this funding is only available for one project per year and is appropriate for a project with 44 to 45 units. The Agency received \$10M in tax credits to develop Willie J. Wynn Apartments (WJW). HOME funds of \$1M also assisted in the development of WJW. The Agency converted the financing on WJW to a conventional loan after the project was completed. Though this funding is available, it would be dependent upon the project type. HOME funds and Affordable Housing Trust Funds (AHT) through the state of Nevada, Affordable Housing Program (AHP) are utilized as gap fillers that allow a project to pencil out. Historic Tax Credits is a funding source that could be utilized on sites such as Tom Sawyer Village and Silverada Manor as it is designed for properties over 50 years old. Community Development Block Grant (CDBG) funding could be another avenue for development of affordable housing units. Conventional loans are another consideration for funding, but that would attach debt to the property. The Agency can leverage its current inventory to qualify for this funding. We do have a development activity within our Moving To Work Plan (MTW) where the Agency can utilize and request some of the HUD held reserves for new development. The Rental Assistance Demonstration program (RAD) enables the Agency to transfer those properties over to the private market through an investor, which would make those same funds available for rehab of those properties. The project type would have to be selected first, to then select which funding sources can be utilized.

The 8th Street project may be able to accommodate 16 units at the most due to its small lot size. The Agency's HUD held funds may be the best option to develop this project.

The 4% bond financing does allow debt and there is no competition for that specific funding source. The Agency does have the capability to apply for this funding source.

Another source of funding, due to our MTW designation, is using Project Based Vouchers (PBV) on properties owned by the Agency, which is a guaranteed revenue source.

Director of Rental Assistance McKendree explained that due to the Agency's MTW designation, there are 2,500 Housing Choice Vouchers (HCV) that are allocated to different programs within the Agency. The VA has allocated 416 vouchers to the Agency through their HUD VASH (Veterans Affairs Supportive Housing program) program. The Agency can only assign these specific vouchers through a referral from the VA, as the individuals must have VA case management attached to them. The Agency received 98 new HUD VASH vouchers at the start of this year. There are approximately 230 vouchers that are currently not in use due to the shortage of case managers at the VA. The VA may look into contracting out case management if they cannot serve the number of vouchers allocated to the program by the end of this year.

The Agency was allocated 137 Emergency Housing Vouchers (EHV), which are special purpose vouchers for individuals experiencing homelessness. Individuals for these vouchers are required to be referred to the Agency through a community partner. This is an example of HUD providing special purpose vouchers to assist a specific population.

Barriers that voucher holders experience include limited availability of affordable units, as well as past evictions on their record. It was clarified that a landlord with units available to rent may rent to individuals through the VA, as long as they have VA case management. Commissioner Schieve requested that staff report monthly on the number of vouchers available for each voucher program.

Director of Rental Assistance McKendree commented that HUD has recently adjusted the Fair Market Standards (FMR) to be more aligned with current market rents. The Agency has approximately 180-190 voucher holders looking for a unit. The Agency monitors the number of vouchers it allocates as not to flood the market at any given time. The Agency's MTW designation creates a baseline of 2,382 vouchers of which 2,223 are currently leased.

Criteria for a Development Masterplan was discussed amongst the Board and staff.

Executive Director Jones recommended that criteria to consider for the Development Masterplan should include methodical configuration of units for best use of available space, identifying development partners for acquiring more units, land acquisition, approaching public entities and local jurisdictions with current land holdings, PH Rental Assistance Demonstration (RAD) conversion timeline, timelines for the 8th Street property project and the Nevada CARES Campus (CARES) build, new land construction and rehab, setting a goal for the number of units to build annually, and funding opportunities with application deadlines.

Chairman Sullivan suggested assigning Agency staff to the following elements: identify local government lands and properties and setting an annual number of units to add into the community.

Vice Chair Aiazzi commented that the Development Committee could use its expertise to look at the feasibility of potential properties and projects. Here, the committee would be tasked with

identifying the specific advantages and disadvantages of a particular site with respect to the Agency's clients that include public transportation, supportive services, utility accessibility, and location. Having the committee focus on the general overall view of potential projects would be beneficial to staff.

Chairman Sullivan added the committee could assist staff with acquisition of real property. Staff would be responsible for prioritizing a list of properties that could be developed and how the Agency would develop them. Top staff priorities would include development plans for CARES and the RAD conversion.

Vice Chair Aiazzi mentioned the support the Development Committee could give staff would be determining the development challenges of CARES. The committee could ascertain if the Agency elects to build five buildings on the site, even if that is spread out through 20 years, would the infrastructure on the land sustain that direction and at what cost.

Chairman Sullivan stated staff could establish the criteria of the unit type based on the current client makeup and waitlist. Staff may benefit from a development checklist created by the Development Committee to easily recognize the potential pitfalls and benefits of a property under consideration. Staff would be responsible for establishing a disposition policy/plan.

Commissioner Delgado suggested the Agency may be able to provide funding to community partners that have the ability and expertise to build the units. He further commented that funding is limited, and agencies involved in affordable housing are all vying for the same money. Executive Director Jones indicated that the Agency has provided vouchers to the Empowerment Center and could utilize that model to reach out to more partners to assist a broader population.

Vice Chair Aiazzi stated a requirement of the Agency is to abide by the Prevailing Wage guidelines. That HUD requirement increases development costs. Legal Counsel will need to get involved to best determine if there are strict rules governing funding another entity's development project. Chairman Sullivan indicated there is a Nevada Revised Statute (NRS) that legal counsel needs to review.

Chairman Sullivan introduced the topic of strategic buying and the risk involved with that venture. His opinion is that this would fall under the guise of the Development Committee. Identifying partnerships for acquisition would be under the expertise of Agency staff. Staff could explore the Hug High property to see if any of the athletic fields could be acquired for development. Staff was directed to develop a formula indicating a Return on Investment (ROI) for land bank opportunities. The Board discussed RIO would be based on several factors to include increased quality of life and any improvement or asset to clients and the community as a whole. ROI is not measured based on dollars, but on the overall benefits added to clients.

Chairman Sullivan indicated that land acquisition, local public entities, current land holdings are policy conversation topics. He further reinforced staff priorities to be CARES, the 8th Street property, RAD conversion for Mineral Manor, and lowest priority would a new administration building. Determining what the development capacity is of the Agency is an important factor. Public private partnerships will increase the development capacity. Developing units quickly, inexpensively, as well as, quality craftsmanship could be expertise garnered from an outside contractor who can in turn, train current staff to have then have that knowledge inhouse.

Vice Chair Aiazzi added that it would be beneficial for the Development Committee to review the projects to identify the ones the committee deems appropriate to undertake. Setting out a

timeline of the elements of each project would be beneficial. CARES would be the most urgent project. The Board requested that the Development Committee devise a schedule of the development projects to present to the Board. The Board agreed that the CARES project is the first priority.

The Board discussed options within the community for a new administration building. There are several vacant commercial properties that are centrally located. Leasing a building may be a good direction temporarily even if that is for 10 – 15 years. A commercial broker could assist staff with searching for an appropriate administrative building at no cost.

The Board discussed acquisition of new property, agreeing that it is the Board that should determine the criteria possibly through a checklist where the criteria can be tracked to identify if they are being met.

3. Discussion and possible action to set future Development Committee meeting dates. (For Possible Action)

No action was taken on this item.

4. Additional items:

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

Vice Chair Aiazzi asked to add a Board item to the next agenda to discuss the time Board meetings are held.

- ii) Old and New Business. (Discussion)

There were no Old or New Business to discuss.

5. 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.

6. Adjournment. (For Possible Action)

Commissioner Delgado moved to adjourn the meeting. Commissioner Wilhelms 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 1:09 pm.