

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 10

April 23, 2024

SUBJECT: Discussion and possible approval of a grant agreement with the State of Nevada for Home Means Nevada Initiative (HMNI) funds and corresponding deed restrictions for \$1,500,000.00 for the acquisition of 5 parcels (APNs 011-262-02, 011-262-03, 011-262-04, 011-262-14, and 011-262-15) on Reno Avenue, in Reno, for future development of affordable housing. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

Background:

RHA has been awarded over \$48 Million in State and Local Fiscal Recovery Funds from the State of Nevada through the Home Means Nevada Initiative (HMNI). These awards will go to a variety of projects for costs associated with land acquisition, new construction, and rehabilitation. A portion of the HMNI funds, \$2.275 million, were specifically allocated for land acquisition. As previously approved by the Board, RHA entered a letter of intent with Catholic Charities to purchase five parcels (APNs 011-262-02, 011-262-03, 011-262-04, 011-262-14, and 011-262-15) on Reno Avenue, in Reno, for future development of up to 44 units of affordable housing. \$1.5M in HMNI funds will be used to pay for part of the \$1.765 million acquisition cost. Before RHA can draw down the funds for this cost, RHA must enter into a grant agreement and declaration of restrictive covenants (also known as a deed restriction) on the properties with the Nevada Housing Division.

The grant agreement lays out general terms and definitions including the allowed uses of the funds, affordability terms and requirements, reporting requirements, and other related criteria. The deed restrictions are to be signed by both the Reno Housing Authority and the Nevada Housing Division and recorded with the Washoe County Recorder's Office by RHA. The deed restrictions address requirements, responsibilities, enforcement, and remedies related to the project. Most notably, RHA enters a covenant that declares the project will be affordable to households at or below 60% AMI for no less than 30 years beginning on the first day the property is available for occupancy.

RHA's counsel and staff have reviewed the documents and their comments have been incorporated. The HMNI Grant Agreement and Deed Restrictions for 440 Reno Avenue, consisting of 5 parcels (APNs: 011-262-02, 011-262-03, 011-262-04, 011-262-14, 011-262-15) are set to be signed, executed, and in the case of the deed restrictions, recorded by RHA. The award amount is \$1,500,000 for land acquisition. The Grant Agreement and Declaration of Restrictive Covenants are included with this staff report.

Staff are seeking approval from the Board of Commissioners of the HMNI Grant Agreement and Declaration of Restrictive Covenants for the parcels collectively known as 440 Reno Avenue. Furthermore, staff are seeking authorization for the Executive Director to sign, execute, and record all required documents.

Staff Recommendation and Motion:

Staff recommends that the Board of Commissioners motion to approve the HMNI Grant Agreement and Declaration of Restrictive Covenants for 440 Reno Avenue and authorize RHA's Executive Director to sign, execute, and record all required documents.