

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 10

September 24, 2024

SUBJECT: Discussion and quarterly update on the RHA development projects including, but not limited to:

1. Dick Scott Manor
 2. Railyard Flats
 3. Silverada Manor
 4. Hawk View Apartments
 5. John McGraw & Silver Sage Apartments
 6. Stead Manor
 7. Carville Court
 8. Paradise Plaza
 9. Reno Avenue
- (Discussion only)

FROM: Executive Director

RECOMMENDATION: Discussion Only

2024 Quarter 3 Development Project Updates

Staff Report

Background:

Please see 2024 Quarter 3 updates for all active Development Department projects below:

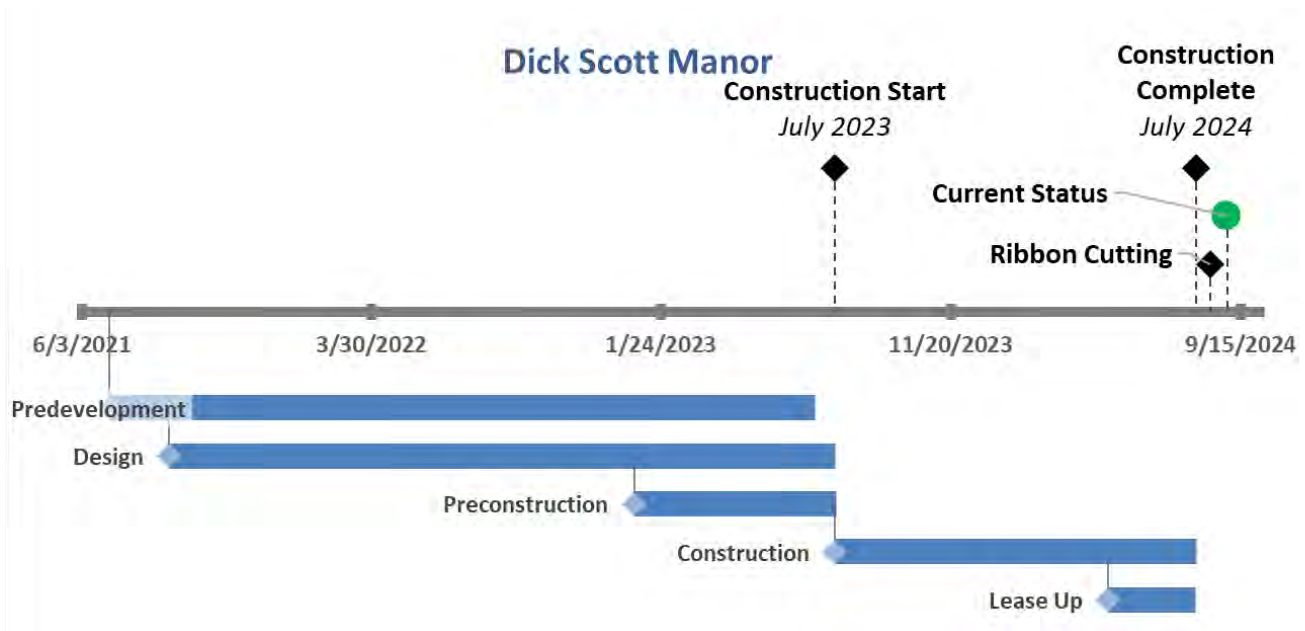
Dick Scott Manor

Q3 2024 Update

Project Info

- \$5M Budget
 - o Funding sources: City of Reno ARPA, HMNI, Home Depot Foundation, Deferred Developer Fee
- 12 units
- New Construction; Permanent Supportive Housing utilizing PBV HUD-VASH

Project Status



Project Updates

- Project is fully complete and leased up as of September 2024.
- The final project budget is as follows:
 - o Hard Cost: \$4,137,410.75
 - o Soft Cost: \$515,453.85
 - o Operating Reserves: \$79,237
 - o Developer Fee: \$174,174
 - o **TOTAL: \$4,863,330**

- Due to effective project and budget management, RHA and Plenum Builders closed out the project with savings on the project hard costs. This resulted in RHA recognizing more paid developer fee and lower deferred fee.
- Staff is working with City of Reno to transfer the property into RHA's ownership.

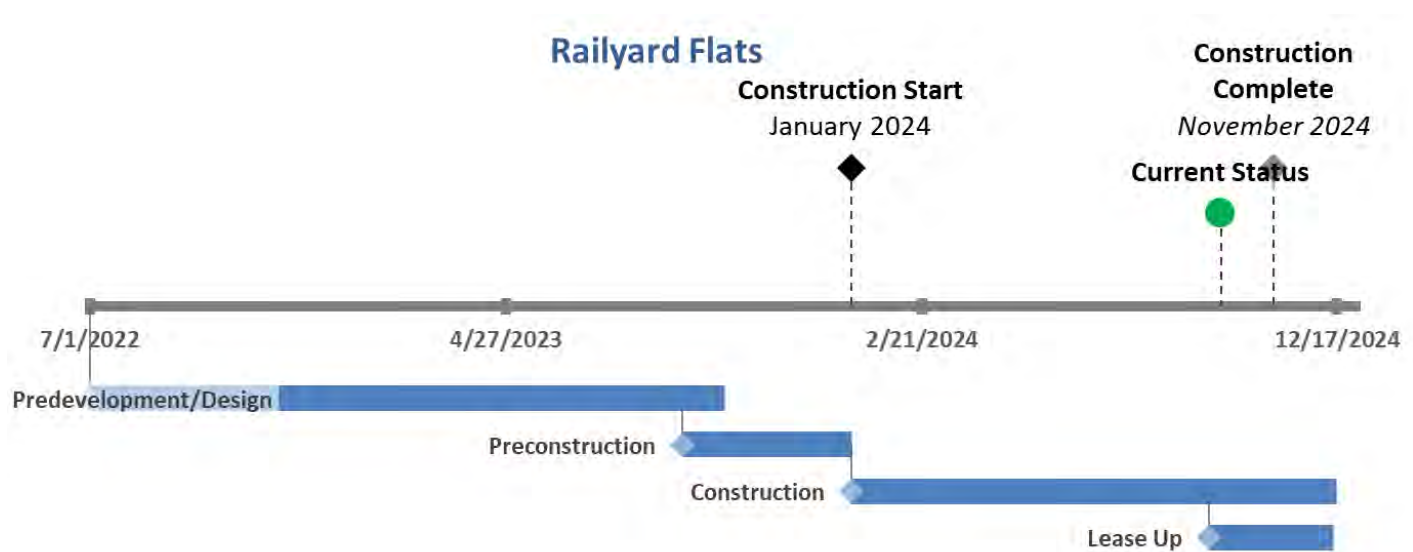
Railyard Flats

Q3 2024 Update

Project Info

- \$6.8M Budget
 - o Funding sources: HMNI, HOME-ARP, RHA Funds, Deferred Developer Fee
- 15 units
- New Construction

Project Status



Project Updates

- Project remains on budget and schedule.
- Residential construction is nearly complete but will be put on pause pending the delivery of electric panels in mid-October.
- Landscaping and parking lot installation began in mid-September.
- RHA Asset Management has begun lease-up for the property.

Upcoming Milestones

- Project completion is expected in early November.
- Project ribbon cutting to be scheduled in November.

Silverada Manor

Q3 2024 Update

Project Info

- \$73M Budget
 - o Funding sources: Tax-Exempt Bonds, 4% LIHTC, HMNI, RHA Seller's Note, Capital Funds Deferred Developer Fee
- 150 units
- RAD/Section 18 conversion and substantial rehab of Public Housing property

Project Status



Project Updates

- After ongoing conversations, Brinshore and Pavillion agreed to contract terms and a Guaranteed Maximum Price. This has put the project back on track to close in October.
- As part of the ongoing conversations, the project has shifted from a 4-phase to a 3-phase schedule. This leads to a 27-month construction schedule which helped to reduce the overall cost of the project.
- The new schedule does, however, increase the relocation budget to account for more households being relocated at one time. To account for this, RHA staff has brought a supplemental resolution to the board to increase the Capital Funds committed to the project.
- Phase 1 residents received a 30-day notice for temporary relocation on September 10. Residents will begin to move after October 10.

Upcoming Milestones

- Financial closing targeted for October 7th.
- Phase 1 relocation completed by November 20th
- Residential construction begins November 20th.

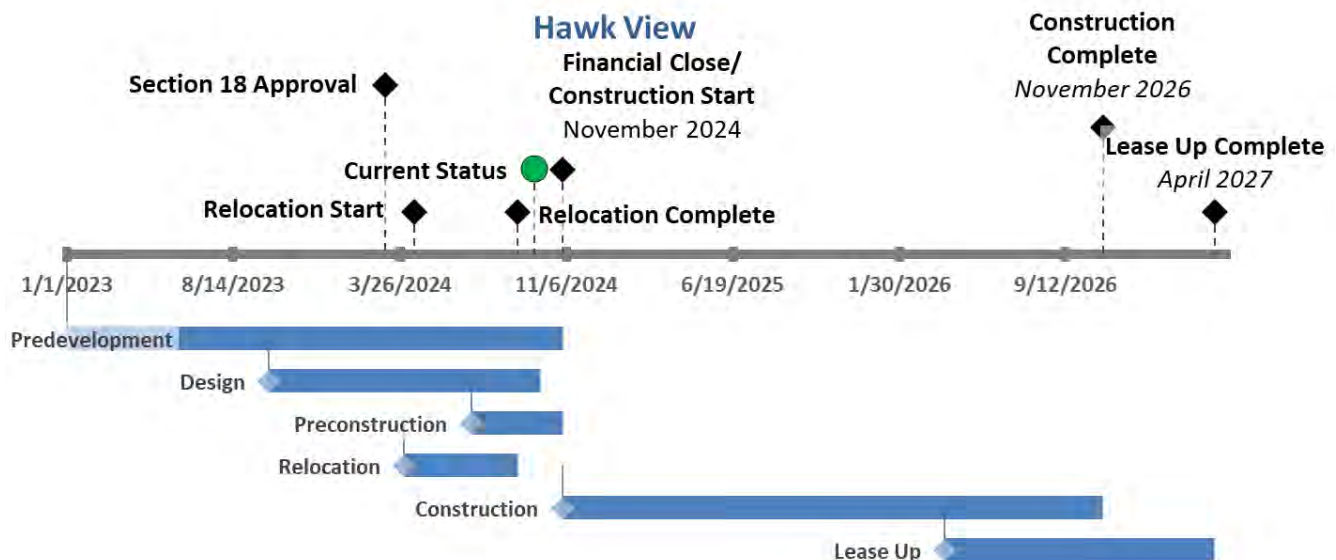
Hawk View Apartments

Q3 2024 Update

Project Info

- \$85M Budget
 - o Funding sources: Tax-Exempt Bonds, 4% LIHTC, HMNI, RHA Funds, Capital Funds, HOME, Deferred Developer Fee, NHTF
- 199 units
- Section 18 disposition of Public Housing property followed by demolition and redevelopment.

Project Status



Project Updates

- Pinecrest was selected as the project's General Contractor in July.
- Resident relocation was completed at the end of August. Property is now completely vacant, and entrances are gated off.
- Plans were submitted for permits in early September.
- Pinecrest began gathering bids in mid-September and is expected to deliver a GMP by mid-October.

Upcoming Milestones

- Financial closing, while delayed from original timeline, is on track for early November.
- Construction will start immediately after closing, beginning with demolition.

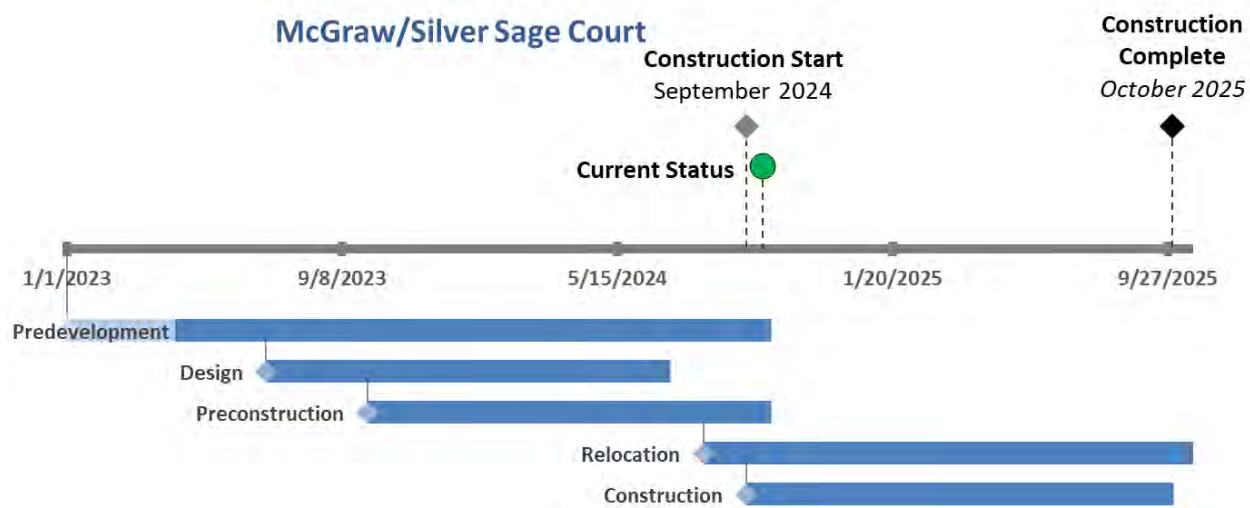
McGraw/Silver Sage Court

Q3 2024 Update

Project Info

- \$7.4M Budget
 - o Funding sources: HMNI, HOME, Capital Funds, NV Energy Rebate, Deferred Developer Fee
- 50 units (34 PH units @ McGraw | 16 units @ Silver Sage)
- Moderate rehab of Public Housing property and adjacent affordable housing property

Project Status



Project Updates

- Entered in a construction contract with Plenium Builders in August.
- Finalized relocation expenses and entered into contract with HousingToHome in August.
- Site work began on September 9th.
- Phase 1 resident relocation began on September 16th.

Upcoming Milestones

- Phase 1 residential construction will begin in mid-October.

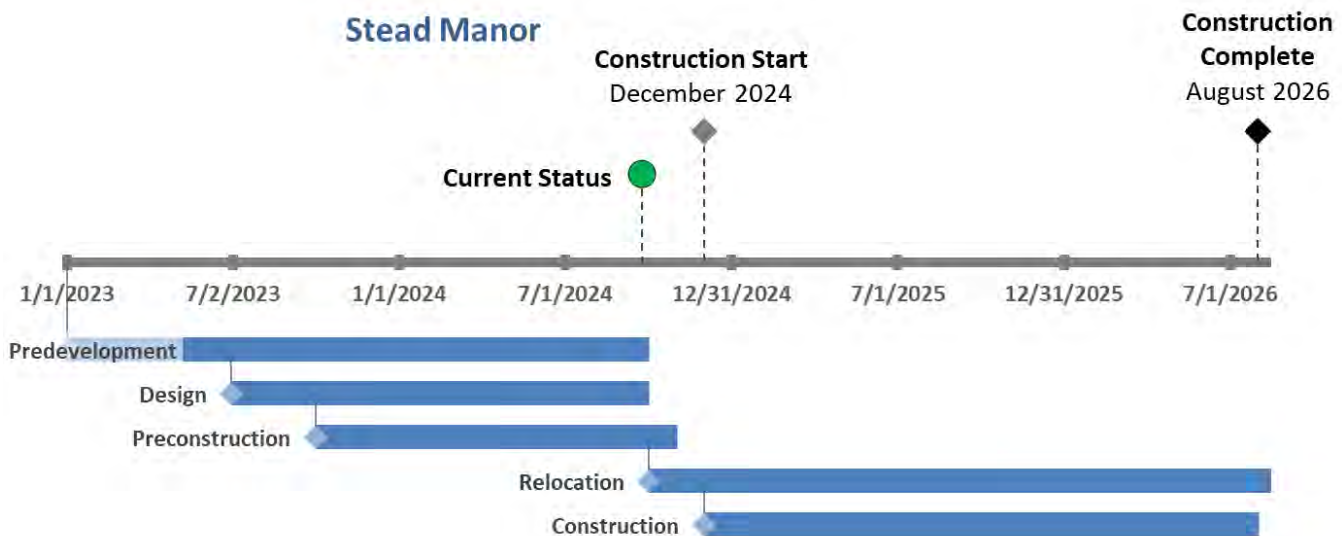
Stead Manor

Q3 2024 Update

Project Info

- \$20.9M Budget
 - o Funding sources: HMNI, Capital Funds, NV Energy Rebate
- 68 units
- Substantial rehab of Public Housing property

Project Status



Project Updates

- Project completed plan review at the City of Reno and is permit ready.
- Plenium has completed GMP and worked with RHA to reduce the cost to keep it in line with the funding RHA has available for the project. RHA will bring Plenium's construction contract for board approval at the September meeting.
- Hawk View's relocation costs came in well under budget, which has led to additional Capital Funds being available for the project. Additionally, RHA staff has identified that the energy efficiency upgrades included in the scope of work are eligible for the NV Energy Rebate program. Both of these sources, as well as a slightly lowered developer fee, cover the gap for the project and it is ready to move forward.

Upcoming Milestones

- A resident meeting is scheduled for October 2nd to provide a project and timeline update.

- Residents in Phase 1 will receive a 30-Day notice for temporary relocation in early October and begin moving in early November. Residents will be moved to vacant units on site or at Essex Manor.
- Construction will begin in December.

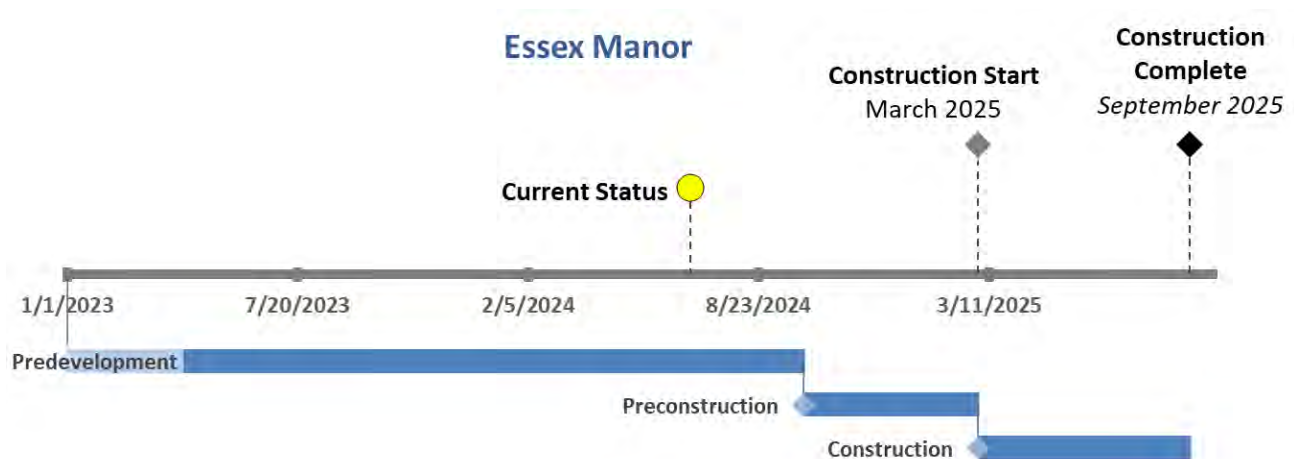
Essex Manor

Q3 2024 Update

Project Info

- Current: \$1.5M Budget / Potential: \$2-3M
 - o Funding sources: HMNI, RHA Capital Funds, ?
- 106 units
- Potential Scope: removal of existing swamp coolers and installation of mini-split heat pumps, renovation of community building

Project Status



Project Updates

- Development Department has continued to explore various project scopes for the HMNI funds.
 - o One option could be to add an additional \$1M in 2025 Capital Funds to allow for the removal of existing swamp coolers and installation of mini-split heat pumps.
 - o If the board decides to not pursue the Paradise Plaza rehab, the funding allocated to that project could be moved over to Essex Manor and combined with the HMNI funds for \$2.8M to rehabilitate the community building.
- Both of these scopes of work would increase the quality of life for residents and would also reduce the cost and scope of work required in a larger scale rehab if/when Essex Manor is repositioned from the public housing portfolio.

Upcoming Milestones

- Finalize project scope of work, budget, and funding sources.

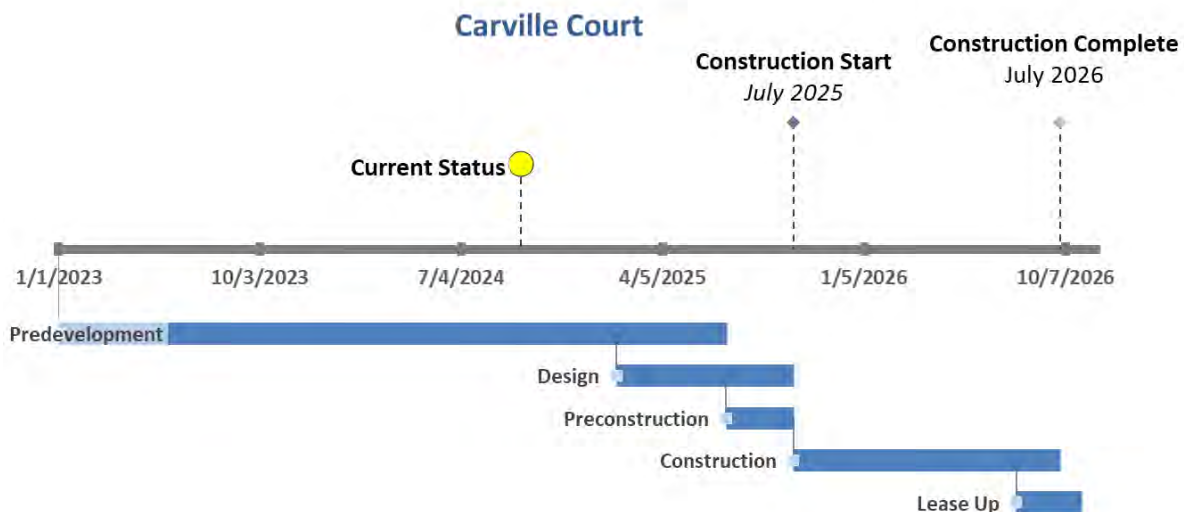
Carville Court

Q3 2024 Update

Project Info

- \$5.6M Budget
 - o Funding sources: HMNI, State HOME-ARP
- 11 units
- Demolition and redevelopment; supportive housing project

Project Status



Project Updates

- RHA received an architectural services proposal for \$540,000 for this project. This was about \$200,000 higher than expected.
- RHA has been working with Wood Rodgers to upzone the existing Carville Court parcels. Parcels are currently zoned MF-14 but would need to be MF-21 or higher to allow for 11 units or more.
 - o Wood Rodgers put together a proposal for surveying and planning services as part of this entitlement process. They identified that the current Master Plan does not allow for upzoning these parcels and that a Master Plan Amendment will be required to achieve the desired density. Because the Planning Commission does not approve spot zoning of individual parcels, Wood Rodgers suggested RHA pursue an amendment to upzone all three Carville Court parcels (APNs 008-490-18, 008-490-17, 008-490-16) as well as D&K Horizons (APN 008-490-19). Please see aerial view of all parcels below.

- The master plan amendment process can take 6 months or more and applications are only accepted on a quarterly basis, so RHA accepted Wood Rodgers proposal and asked that they prepare the application for the upcoming October 2024 deadline.
- The increased design and entitlement costs have increased the estimated budget to \$5.6M and resulted in a per unit cost of \$550,000. The project also now has a funding gap.
 - To address the gap, staff have researched other potential funding sources and identified an opportunity for an additional \$5M HUD funding through the CoC BUILDS grant. The application for this funding source was recently released by the Washoe County Continuum of Care.
 - It is anticipated that this funding will be very competitive. The current project scope of 11 units at \$550,000 a unit is likely not a very strong proposal. However, increasing the units to 20 would decrease the per unit cost to \$450,000 and create a more competitive proposal. *Applications are due in November 2024.*
 - Considering that the D&K Horizons parcel must be upzoned along with the Carville Court parcels, staff is exploring increasing the scope of the project to include all 4 parcels. While this will increase the project budget to an estimated \$9M, it will enable RHA to construct 20 units and community space for supportive services to provide more permanent supportive housing units for the community.



Upcoming Milestones

- Finalize project scope and secure additional funding needed to complete the project.

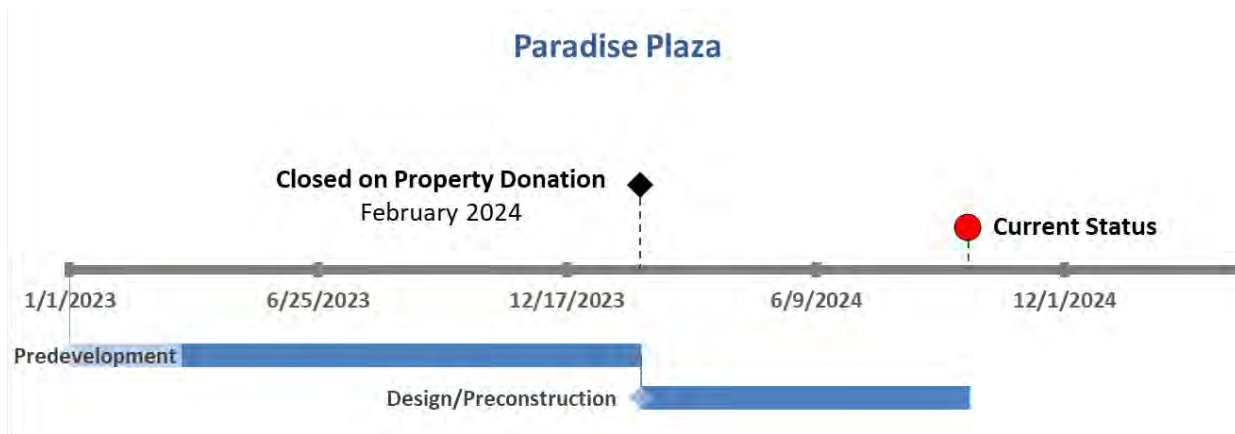
Paradise Plaza

Q3 2024 Update

Project Info

- Current: \$1.3M Budget
 - o Funding sources: RHA MTW Funds, Washoe County ARPA
- Commercial Rehab; Resident Services Hub

Project Status



Project Updates

- There have been significant delays and challenges due to the extensive abatement and pest mitigation. Phase 1 of the abatement has already occurred and costs nearly \$20,000. It is estimated that the rest of the abatement and mitigation will cost in the range of \$80-100k.
- RHA staff presented 4 potential scopes of work and budgets for the project to the board at the August meeting. Other options, including not moving forward with the rehab were discussed as well.
- All work is currently on hold pending further direction from the board.

Upcoming Milestones

- No significant milestones forecasted for Quarter 4 of 2024.

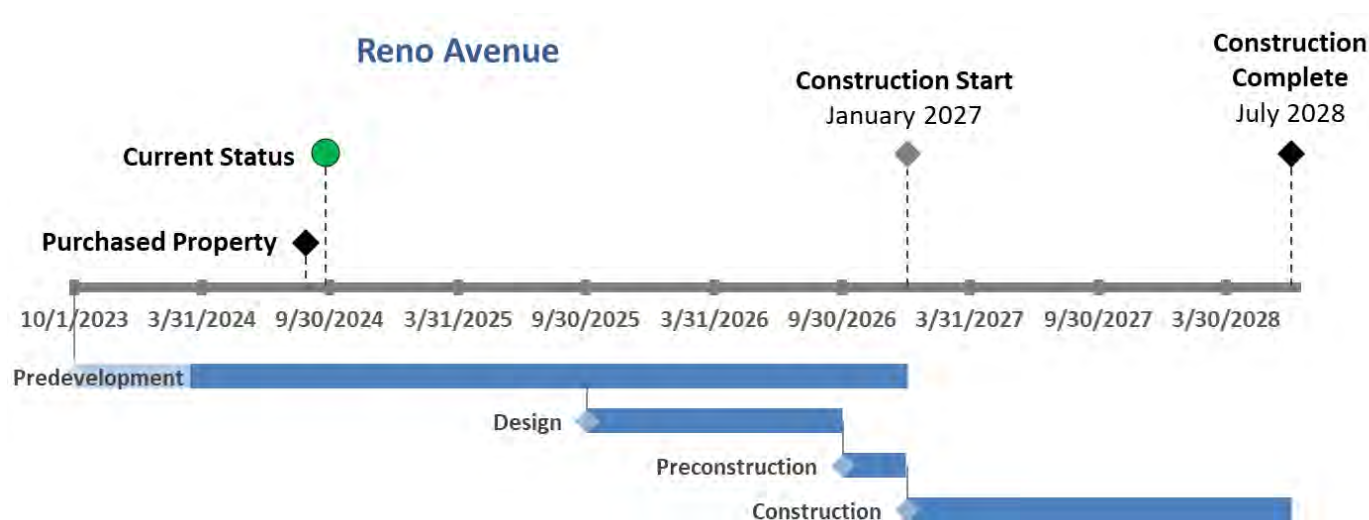
Reno Avenue

Q3 2024 Update

Project Info

- Current: TBD
 - o Funding sources: TBD
- 40-44 units affordable housing project

Project Status



Project Updates

- RHA closed on the purchase of the property on August 26, 2024.

Upcoming Milestones

- No significant milestones forecasted for Quarter 4 of 2024. Predevelopment activity will begin in earnest in Q1 of 2025.