

STAFF REPORT

Date: October 11, 2017

To: Mayor and City Council

Thru: Sabra Newby, City Manager

Subject: **J.3.1. Staff Report (For Possible Action): Public Hearing on the approval of an Interlocal Agreement between the City of Reno and the Reno Housing Authority to convey, without charge, the city-owned property located at 1035 East Eighth Street, Reno, Nevada to provide affordable housing; adopt City Council Resolution approving the Interlocal Agreement to convey, without charge, the city-owned property located at 1035 East Eighth Street, Reno, Nevada to the Reno Housing Authority of the City of Reno to provide affordable housing pursuant to NRS 277.050 – 277.053; together with other matters properly relating thereto.**

From: Bill Dunne, Revitalization Manager

Summary: Council is asked to approve the attached Interlocal Agreement (Agreement) between the City and the Housing Authority of the City of Reno (RHA) to convey, without charge, the city-owned property located at 1035 East Eighth Street, Reno, Nevada to provide affordable housing. Staff recommends approval and adoption of the Agreement to convey the property without charge to RHA to be used for affordable housing pursuant to NRS 277.050 – 277.053.

Previous Council Action:

September 27, 2017 – Council approved Resolution No 8430 declaring intention to sell, without charge, the city-owned property located at 1035 East Eighth Street, Reno, Nevada to the Reno Housing Authority of the City of Reno for an affordable housing project and to provide notice to public to attend the public meeting of City Council on October 11, 2017, to provide any objections to such transfer as required by NRS 277.050, and providing for other matters properly related thereto.

July 18, 2012 – Council approved Resolution No 7747 authorizing and directing the City Manager to execute, deliver and record any documents that may be required for the City to purchase and rehabilitate eligible properties under Neighborhood Stabilization Programs 1 and 3 funded by the U.S. Department of Housing and Urban Development.

Background: The City of Reno acquired this property in 2013 using funds from the US

Department of Housing and Urban Development (HUD) known as Neighborhood Stabilization Program Funds (NSP3). In 2014, the NSP3 Action Plan indicated that the property would be rehabilitated and used for an affordable housing project and Request for Letters of Interest was sent to developers. The City received one Letter of Interest from Ridge House but the use was not appropriate. It was also determined that the structure was unable to be rehabilitated and was demolished in October 2016. The property is currently vacant and is approximately 0.25 acres. The Action Plan for this property, submitted to and approved by HUD, indicates the property will be used for the development of affordable housing, serving individuals or families at 40 percent or less of AMI.

Discussion: Through this Agreement, the City will convey the property to RHA who will, at its own expense, develop an affordable housing project of 8 to 12 rental units serving individuals or families at 40 percent or less of AMI which is consistent with the approved Action Plan for this property that was submitted and approved by HUD. RHA will ensure the property is operated in compliance with all Federal, state and local requirements, including that the units shall be occupied by qualified renters and charging appropriate rents. The property will maintain affordable for 20 years.

On September 27, 2017, Council approved a Resolution declaring intention to sell, without charge, the city-owned property located at 1035 East Eighth Street, Reno, Nevada to the Reno Housing Authority of the City of Reno for an affordable housing project. Pursuant to the requirements set forth in NRS 277.050 a public hearing is required before the Sale is approved. This is the time and place for the hearing and for approval of the Interlocal Agreement.

NRS 277.050 – 277.053 provides that a governing body may convey real property to another political subdivision without advertising for public bids and without charge if the property is to be used for a public purpose.

Financial Implications: None at this time.

Legal Implications: Legal review completed for compliance with City procedures and Nevada Law.

Recommendation: Staff recommends Council the Interlocal Agreement and Adopt Resolution No. _____, approving to convey, without charge, the city-owned property located at 1035 East Eighth Street to the Reno Housing Authority of the City of Reno, and authorization for the Mayor to execute all documents pertaining to the transfer of the property.

Proposed Motion: I move to approve staff recommendation.

Attachments:

- Aerial Photo (PDF)
- Interlocal Agg (10-2) (PDF)