



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: *July 12, 2022*

DATE: Thursday, July 07, 2022

TO: Board of County Commissioners

FROM: Kate Thomas, Assistant County Manager
(775) 328-2008, kathomas@washoecounty.gov

THROUGH: Eric Brown, Washoe County Manager

SUBJECT: Recommendation to approve purchase of property located at 1775 East 4th Street, Reno, Nevada from Reno Housing Authority in an amount not to exceed the appraised value of \$5,500,000 to be used to provide shelter and related services for people experiencing homelessness. The terms may include:

1. Purchase and Sale Agreement for the acquisition by Washoe County of 4.747-acre property located at 1775 East 4th Street, Reno, Nevada, 89512 (APN 008-211-50) in an amount of [\$5,150,000.00] plus closing costs not to exceed [\$12,000] and authorize Chair to execute documents in support thereof;
2. Resolution approving Subgrant by Washoe County in an amount of [\$350,000] from American Recovery Plan Act Funds to Reno Housing Authority be used for affordable housing and authorize Manager to execute documents in support thereof;
3. Second Amended Lease with Reno Housing Authority for 1775 East 4th Street, Reno, Nevada for a term to expire upon closing of the Purchase and Sale Agreement and in an amount of [\$40,000] per month with payments to be credited towards the purchase of the property and authorize Manager to execute documents in support thereof;
4. Contract between Washoe County and Reno Housing Authority for contribution from Reno Housing Authority in an amount up to [\$250,000] to assist with remediation and/or cleanup costs for any contamination discovered on the property and authorize Chair to execute documents in support thereof.

(Commission District 3) FOR POSSIBLE ACTION

AGENDA ITEM # _____

SUMMARY

Recommendation to approve transactions with Reno Housing Authority related to property located at 1775 East 4th Street, Reno, Nevada to be used to provide shelter and related services for people experiencing homelessness.

Washoe County Strategic Objective supported by this item: Vulnerable Populations

PREVIOUS ACTION

On November 18, 2020, at a concurrent meeting of the Sparks City Council, Reno City Council, and Washoe County Board of Commissioners, the three entities (Parties) entered into an Interlocal Cooperative Agreement for Shelter Operation and Other Homeless Services (Interlocal). The purpose of the Interlocal was to establish duties, roles, and responsibilities of the governmental agencies in regard to the provision of services to the homeless in the area, including agreeing to acquire and share the cost three parcels on East 4th Street for the purpose of expanding shelter capacity in the region.

At the November 18, 2020 concurrent meeting, under item 11.5, the City of Reno approved a purchase agreement between the City of Reno, the Reno Housing Authority (RHA) and Property Owner for the approximately ±9.39-acre parcel known as the Wells Cargo Property (APNs 008-211-43 and 008-211-46) located at 1175 East Fourth Street, Reno, NV. The City of Reno and RHA were to take title to APN-008-211-46 and RHA was to take title to APN 008-211-43. The City of Reno and Reno Housing Authority intended to initiate a boundary adjustment within 30 days of close of escrow. After filing of the boundary adjustment and upon certain conditions being met, City of Reno was to take title to APN 008-211-046 and the RHA was to take title to APN 008-211-043. The boundary adjustment changed RHA property APN 008-211-43 to APN-211-50.

On January 13, 2021, Board of County Commissioners directed staff to pursue an expanded role in addressing the regional issue of homelessness in accordance with its Strategic Plan.

On August 30, 2021, at a concurrent meeting of the City of Reno, Washoe County and the City of Sparks, Amendment No. 2 and Extension of Interlocal Cooperative Agreement for Shelter Operation and Other Homeless Services Among (Amended Interlocal) was approved. The Amended Interlocal revised the roles and responsibilities of the government entities, including transferring the administrative and financial responsibility for the operation of homeless shelters from City of Reno to Washoe County.

On December 14, 2021, the Board accepted donation of two parcels of land from the City of Reno. The parcels were located at 1498 E. 7th Street, Reno, NV 89512 (APN 008-211-47) [assessed value of \$36,742] and 1800 Threlkel St., Reno, NV 89512 (APN 008-211-51) [assessed value of \$873,903] pursuant to the Amended Interlocal.

On January 11, 2022, the Board approved a six-month Lease Agreement between Washoe County and the Housing Authority of the City of Reno authorizing the County to

occupy 1775 East 4th Street, Reno, Nevada, 89512 (APN 008-211-50), in order to provide services and shelter for people experiencing homelessness.

On April 12, 2022, the Board directed staff to proceed with purchasing property owned by Reno Housing Authority located at 1775 E 4th St, Reno, NV, 89512 (APN 008-211-50) [estimated purchase price of \$5 million] and to present the legal documents for approval at a future board meeting.

On April 26, 2022, the Board approved an Amended Lease Agreement between Washoe County and the Reno Housing Authority, for the term of December 8, 2021- June 30, 2022 pending Washoe County's purchase of 1775 East 4th Street, Reno, Nevada, 89512.

BACKGROUND

On November 18, 2020, at a concurrent meeting of the Sparks City Council, Reno City Council, and Washoe County Board of Commissioners, the three entities (Parties) entered into an Interlocal Cooperative Agreement for Shelter Operation and Other Homeless Services (Interlocal). The purpose of the Interlocal was to establish duties, roles and responsibilities of the governmental agencies in regard to the provision of services to the homeless in the area, including agreeing to acquire and share the cost three parcels on East 4th Street for the purpose of expanding shelter capacity in the region.

At the November 18, 2020 concurrent meeting, under item 11.5, the City of Reno approved a purchase agreement between the City of Reno, the Reno Housing Authority and Property Owner for the approximately ±9.39-acre parcel known as the Wells Cargo Property (APNs 008-211-43 and 008-211-46) located at 1175 East Fourth Street, Reno, NV. The City of Reno and RHA were to take title to APN-008-211-46 and RHA was to take title to APN 008-211-43. The City of Reno and Reno Housing Authority intended to initiate a boundary adjustment within 30 days of close of escrow. After filing of the boundary adjustment and upon certain conditions being met, City of Reno was to take title to APN 008-211-46 and the RHA was to take title to APN 008-211-043. The boundary adjustment changed RHA property APN 008-211-043 to APN-211-50.

In May 2021, a Boundary Line Adjustment was recorded as DOC #5186448. It adjusted APN 008-211-45 (9.15 acres) located at 1775 E 4th Street, Reno, NV 89512 resulting in new APN 008-211-46 (9.15 acres). DOC #5186448 also reflects the split of APN 008-211-46 combining APN 008-211-43, owned by the Reno Housing Authority, with 4.508 acres from APN 008-211-46 creating APN 008-211-50 (4.747 acres) owned by the Reno Housing Authority and the remaining portion of APN 008-211-46 was reassigned as APN 008-211-51 (4.642 acres) owned by the City of Reno.

In August 2021, the three jurisdictions agreed to transfer the administrative and financial responsibility for the operation of homeless shelters in the region to Washoe County. In September 2021, the County took the lead at the Nevada Cares Campus. On December 14, 2021, the Board accepted donation of two parcels of land from the City of Reno by Quitclaim Deed. The parcels were located at 1498 E. 7th Street, Reno, NV 89512 (known as Governor's Bowl APN 008-211-47) [assessed value of \$36,742] and 1800 Threlkel St., Reno, NV 89512 (APN 008-211-51) [assessed value of \$873,903].

The County has been leasing space on the parcel located at 1775 E. 4th Street, Reno, NV (APN 008-211-50) (4.747 acres) owned by the Reno Housing Authority under separate agreement since January 2022. Purchase of APN 008-211-50 can be used to support affordable housing alternatives in the region by RHA, while allowing Washoe County to pursue the development of supportive units and to provide additional shelter and related services for people experiencing homelessness.

On June 6, 2022, Washoe County had the property located at 1775 East 4th Street, Reno, Nevada, 89512 (APN 008-211-50) appraised. This is required pursuant to NRS 244.275. The appraised value is \$5,500,000.

Based upon the appraised value, staff recommends approval of the following transactions with Reno Housing Authority related to property located at 1775 East 4th Street, Reno, Nevada to be used to provide shelter and related services for people experiencing homelessness, specifically:

1. Purchase and Sale Agreement for the acquisition by Washoe County of 4.747-acre property located at 1775 East 4th Street, Reno, Nevada, 89512 (APN 008-211-50) in an amount of [\$5,150,000.00] plus closing costs not to exceed [\$12,000] and authorize Chair to execute documents in support thereof;
2. Subgrant by Washoe County in an amount of [\$350,000] from American Recovery Plan Act Funds to Reno Housing Authority be used for affordable housing and authorize Manager to execute documents in support thereof ;
3. Second Amended Lease with Reno Housing Authority for 1775 East 4th Street, Reno, Nevada for a term to expire upon closing of the Purchase and Sale Agreement and in an amount of [\$40,000] per month with payments to be credited towards the purchase of the property and authorize Manager to execute documents in support thereof.
4. Contract between Washoe County and Reno Housing Authority for contribution from Reno Housing Authority in an amount up to [\$250,000] to assist with remediation and/or cleanup costs for any contamination discovered on the property and authorize Chair to execute documents in support thereof.

FISCAL IMPACT

Should the board approve these transactions with Reno Housing Authority, sufficient FY23 budget authority exists in Fund Center 199-0 of \$5,162,000 and the \$40,000 per month lease to expire upon closing of the Purchase and Sale Agreement and in Fund Center 270-8 of \$350,000.

RECOMMENDATION

It is recommended Recommendation to approve transactions with Reno Housing Authority related to property located at 1775 East 4th Street, Reno, Nevada to be used to provide shelter and related services for people experiencing homelessness, as follows:

1. Purchase and Sale Agreement for the acquisition by Washoe County of 4.747-acre property located at 1775 East 4th Street, Reno, Nevada, 89512 (APN 008-211-50) in an amount of [\$5,150,000.00] plus closing costs not to exceed [\$12,000] and authorize Chair to execute documents in support thereof;
2. Resolution approving Subgrant by Washoe County in an amount of [\$350,000] from American Recovery Plan Act Funds to Reno Housing Authority be used for affordable housing and authorize Manager to execute documents in support thereof ;
3. Second Amended Lease with Reno Housing Authority for 1775 East 4th Street, Reno, Nevada for a term to expire upon closing of the Purchase and Sale Agreement and in an amount of [\$40,000] per month with payments to be credited towards the purchase of the property and authorize Manager to execute documents in support thereof.
4. Contract between Washoe County and Reno Housing Authority for contribution from Reno Housing Authority in an amount up to [\$250,000] to assist with remediation and/or cleanup costs for any contamination discovered on the property and authorize Chair to execute documents in support thereof.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be

“Move to approve three transactions with Reno Housing Authority related to the purchase of property located at 1775 East 4th Street, Reno, Nevada to be used to provide shelter and related services for people experiencing homelessness.”