



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: May 28, 2019

DATE: March 21, 2019

TO: Board of County Commissioners

FROM: Eric Young, Senior Planner
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THROUGH: Mojra Hauenstein, Arch., Planner, Division Director, Planning &
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SUBJECT: Recommendation to approve a resolution transferring Washoe County's 2019 pro-rata share of the State of Nevada's Private Activity Bonding Authority (\$5,798,463.39) to the Director of the State of Nevada Department of Building and Industry to support the construction of approximately 420 affordable housing units as part of the Dandini Spectrum mixed use development project at the northeast corner of US 395 North and Dandini Boulevard (APNs: 035-681-01, 02 – Owner, Dandini-Spectrum LLC) and to authorize the chair to sign the resolution. (All Commission Districts.)

SUMMARY

The Krater Consulting Group, the developers of the Dandini/Spectrum mixed use project at the confluence of US 395 North, Dandini Boulevard and Spectrum Boulevard have made a request to the Board of County Commissioners to allocate the County's 2019 Private Activity Bond Cap allocation to support the construction of +/- 420 multi-family affordable housing units as part of that development.

Washoe County Strategic Objective supported by this item: Safe, secure and healthy communities.

PREVIOUS ACTION

There has been no previous action regarding this item.

BACKGROUND

Each year Washoe County receives an allocation of Federal Tax Exempt Private Activity Bond Authority (Bond Cap) from the State of Nevada. These funds may be used to assist the financing of projects that support economic development and/or affordable housing projects. This year Washoe County's pro rata share is \$5,798,463.39. Section 348A.180 of the Nevada Revised Statutes provides that Washoe County may, by resolution, transfer all or a portion of this bonding authority to another political subdivision of the state or to the Nevada Department of Business and Industry for allocation to specific affordable

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housing projects and programs. Volume Cap allocations that are not committed to a specific project(s) on or before September 1 of each year, revert to the discretion of the Director of the Department of Business and Industry.

Washoe County utilized this process to support numerous affordable housing projects throughout the 1990's and the early 2000's. However it has been a full decade since the last opportunity to support an affordable housing project arose. This year, the Krater Consulting Group has requested Washoe County direct its 2019 allocation to a mixed use project they are developing in the Dandini Blvd. and Spectrum Blvd. area. Washoe County's allocation would be used to support the construction of +/-420 multi-family affordable housing units. The units would be made available and restricted to persons at the 60% Area Median Income threshold.

Washoe County no longer has a formal application process for this funding source. In lieu of an application County staff requested a detailed letter describing the project. This letter is attached as Exhibit A. A full description of the proposed project is included with this exhibit. This letter of application also includes reference to previous approvals granted to the project by the City of Reno. In fact, the project has been granted a Special Use Permit by the City of Reno. The project is located within the jurisdictional boundaries of Reno and as such all development permitting will be processed by Reno. Washoe County is being asked to support funding of the affordable housing component of the project. The primary benefit to Washoe County is the addition of 420 units of housing for persons earning 60% of Area Median Income (AMI.) This is a critical segment of the affordable housing need in Washoe County. Currently in the Reno Metropolitan Statistical Area, 60% of AMI translates to income limits of approximately \$44,000 for a family of four and \$31,000 for a single individual.

A resolution transferring the county's 2019 Bond Cap in support of the Dandini/Spectrum project is attached as Exhibit B.

FISCAL IMPACT

No fiscal impact.

RECOMMENDATION

It is recommended that the Board of County Commissioners approve a resolution transferring Washoe County's 2019 pro-rata share of the State of Nevada's Private Activity Bonding Authority (\$5,798,463.39) to the Director of the State of Nevada Department of Building and Industry to support the construction of approximately 420 affordable housing units as part of the Dandini Spectrum mixed use development project at the northeast corner of US 395 North and Dandini Boulevard (APNs: 035-681-01, 02 – Owner, Dandini-Spectrum LLC) and to authorize the chair to sign the resolution.

POSSIBLE MOTION

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

“Move to approve a resolution transferring Washoe County's 2019 pro-rata share of the State of Nevada's Private Activity Bonding Authority (\$5,798,463.39) to the Director of

the State of Nevada Department of Building and Industry to support the construction of approximately 420 affordable housing units as part of the Dandini Spectrum mixed use development project at the northeast corner of US 395 North and Dandini Boulevard (APNs: 035-681-01, 02 – Owner, Dandini-Spectrum LLC) and to authorize the chair to sign the resolution.”

Exhibits:

Exhibit A - Letter of Application

Exhibit B – Resolution

CC:

Ken Krater: Ken@Kraterconsultinggroup.com