



# WASHOE COUNTY

Integrity Communication Service

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## STAFF REPORT

**BOARD MEETING DATE:** November 27, 2018

**DATE:** Thursday, November 22, 2018

**TO:** Board of County Commissioners

**FROM:** Kate Thomas, Assistant County Manager  
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**THROUGH:** John Slaughter, County Manager

**SUBJECT:** Discussion and possible direction to staff on components of an Affordable Housing Trust Fund Ordinance to be developed for adoption by the Washoe County Commission. (All Commission Districts.)

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### **SUMMARY**

On August 28, 2018 the Washoe County Board of County Commissioners voted to approve the utilization of staff time to establish a County Level Affordable Housing Trust Fund. This staff report outlines elements of the trust fund for discussion to develop an ordinance to for the board to consider at a future date.

**Washoe County Strategic Objective supported by this item:** Stewardship of our Community, Proactive Economic Development and Diversification, Safe, Secure and Healthy Communities, and Regional and Community Leadership.

### **PREVIOUS ACTION**

At the August 28, 2018 Board of County Commissioners meeting, the Board voted to approve the utilization of staff time to establish a County Level Affordable Housing Trust Fund.

### **BACKGROUND**

After hosting multiple meetings and researching best practices, Acting in Community Together in Organizing Northern Nevada (ACTIONN) approached Washoe County to advocate for, and assist with, the establishment of a Washoe County Affordable Housing Trust Fund (AHTF). The Washoe County AHTF is intended to address the growing need for affordable housing in our community. The AHTF structure is used nationally - typically by dedicating sources of public funding and leverage that funding to increase incentivize affordable housing and is a recommendation of the Enterprise Housing effort being conducted by the Truckee Meadows Regional Planning Agency.

It is important to note that the Washoe County AHTF is different than the Community Housing Land Trust, established on April 4, 2018 by the Reno City Council. The

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Community Housing Land Trust, was established as an LLC under the umbrella of the Community Foundation of Western Nevada. The land trust will hold land and the Washoe County AHTF will be monetary. Ideally, these two trusts will be complimentary tools to improve the housing situation in our region.

For the Board's discussion and to develop an ordinance for first reading, there are three elements to discuss when establishing the Washoe County AHTF – how it will be funded, who will administer it, and what/who the fund will support.

#### Funding Source

There is currently no identified funding source for the Washoe County AHTF. Other successful programs have been established using a dedicated public revenue source that is used to leverage additional resources; many other programs are not fully funded with public funds as a diversified funding model is preferred.

It is recognized that utilizing existing general or other funds to infuse resources into the Washoe County AHTF would eliminate currently-existing programs or services. ACTIONN has recommended using a portion of the Supplemental Governmental Services Tax which, if enacted by Washoe County, would increase vehicle registration in Washoe County and generate additional revenue annually to be used at the direction of the Board. A recommendation could be to pursue the implementation of the tax and allocate a portion to the Washoe County AHTF in alignment with the upcoming County budget process. Discussions regarding the Supplemental Government Services Tax are expected to be before the Board in January, 2019.

State law (NRS 371.043) sets forth the imposition, collection and use of proceeds of the Supplemental Government Services Tax which is to primarily fund road construction in Washoe County. Section 4 of the law allows for use of the revenue towards “operating costs of the county and any other costs to carry out the governmental functions of the county”.

Structuring the Washoe County AHTF with funding options such as revolving project loans would ensure longevity and sustainability of the Fund. Other options could include a smaller portion of forgivable loans, and grants. The Fund should remain flexible so that that it can maximize and leverage resources from a variety of sources and facilitate innovative approaches to housing projects. It shall at all times adhere to all applicable laws and financial regulations.

*It is recommended that the Board give direction to staff on the pursuit of an ongoing or one-time revenue source to establish the Washoe County AHTF in alignment with the upcoming Budget cycle.*

#### Fund Administration

Staff is working with the Community Foundation of Western Nevada to house and administer the fund. Washoe County fiscal staff are supportive as it would take significant in-house resources to oversee and promote the fund development and

administration. Additionally, there is synergy with the Land Trust and AHTF being under the same foundation umbrella.

The granting and allocation of resources from the fund could be via the already-established Washoe County HOME Consortium (the Consortium). The Consortium was formed by interlocal agreement and is currently made up of representatives from Washoe County and the Cities of Reno and Sparks.

The Consortium currently oversees and administers loans from various funding sources for pre-development, development, construction, acquisition, preservation and substantial rehabilitation of affordable, permanent or transitional, housing units. The recommendation of allocation of Washoe County Affordable Housing Trust Fund resources would be a separate function of the Consortium and funds shall be clearly indicated as such during Consortium business.

The governance structure of the Consortium consists of:

- Three (3) directors (the City and County Managers) - The City of Reno serves as the lead agency under the interlocal agreement.
- A Technical Review Committee (TRC) - comprised of no less than eight (8) persons:
  - Three (3) technically proficient (knowledgeable in housing issues) appointments – one from each jurisdiction
  - Three (3) non-staff appointments – one from each jurisdiction.
  - One (1) technically proficient person in housing - appointed by TRC staff
  - One (1) staff person - appointed by the Regional Planning Commission

In the past, the HOME Consortium requested funding priorities from each of the three governmental entities with the primary goal of providing regional affordable housing. Additionally, the Consortium allocates funds to housing assistance programs, including down payment assistance to first time homebuyers, monthly rental assistance, rental and utility deposit assistance, and homeowner rehabilitation assistance.

*Recommendation: It is recommended that staff pursue establishing the fund with the Community Foundation of Western Nevada and that the HOME Consortium be the entity responsible for the allocation of the Washoe County AHTF. Additionally, it is recommended that every-other-year the Board set priorities to guide the HOME Consortium decision making process regarding the Washoe County AHTF.*

#### Fund Support/Impact

The Washoe County AHTF is intended to fund production of affordable housing projects and housing related support programs to the residents of Washoe County. To narrow the

scope for greatest impact, further definition of “affordable” is necessary and should be defined by those knowledgeable in our region’s specific housing issues.

Existing HOME Consortium funding guidelines could be modified to contain specific information such as “50% of any public dollars allocated to the Fund shall be dedicated by ordinance or other means to serving households at or below 60% AMI; the remaining 50% shall serve households at or below 110% AMI. The Fund shall be authorized to accept private gifts, grants, donations, and other contributions and may use these funds to serve households at or below 110% AMI.”

*Recommendation: It is recommended that the HOME Consortium develop and formalize a process for Washoe County Commission approval by which project proposals will be solicited and awarded as well as reporting and oversight mechanisms.*

### **FISCAL IMPACT**

There is no fiscal impact at this time.

### **RECOMMENDATION**

Give possible direction to staff on components of an Affordable Housing Trust Fund Ordinance to be developed for adoption by the Washoe County Commission (All Commission Districts).

### **POSSIBLE MOTION**

The Board of County Commissioners could include direction to staff here,

*“Move to give direction to staff on components of an Affordable Housing Trust Fund Ordinance to be developed for adoption by the Washoe County Commission.”*