



# WASHOE COUNTY

Integrity Communication Service

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## STAFF REPORT

**BOARD MEETING DATE:** August 22, 2023

**DATE:** August 2, 2023

**TO:** Board of County Commissioners

**FROM:** Dana Searcy, Division Director  
Housing & Homeless Services, Office of the County Manager  
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**THROUGH:** Kate Thomas, Assistant County Manager

**SUBJECT:** Recommendation to approve a resolution transferring Washoe County's 2023 pro-rata share of the State of Nevada's Private Activity Bonding Authority (\$6,889,172.03) to the Director of the State of Nevada Department of Building and Industry to support the development of affordable housing projects, specifically the construction of a multifamily housing project of approximately 240 affordable housing units, with rent amount restricted to 60% of Area Median Income or below located off of Chocolate Drive in Sun Valley, Nevada, and to authorize the chair to sign the resolution. (APN: 502-250-09 and 502-250-10, Applicant: Pedcor Investments, LLC. Project property owner) (All Commission Districts.)

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### **SUMMARY**

Pedcor Investments, LLC, the developers of a multi-family project located off of Chocolate Drive in Sun Valley, Nevada have made a request to the Board of County Commissioners to allocate the County's 2023 pro-rata share of the State of Nevada's Private Activity Bonding Authority – a total of \$6,889,172.03- to support the construction of +/- 240 multi-family affordable housing units that will be rent restricted at 60% of Area Median Income (AMI) or below.

**Washoe County Strategic Objective supported by this item:** Vulnerable Populations

### **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 Bonding Authority (Bond Cap) from the State of Nevada. This allocation may be transferred for the issuance of tax-exempt bonds to assist in the financing of projects that support economic development and/or affordable housing projects. This year Washoe County's pro rata share is \$6,889,172.03. Nevada Administrative Code ("NAC")

**AGENDA ITEM # \_\_\_\_\_**

348A.180(1) and (2) 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 Director of the Nevada Department of Business and Industry for allocation to specific affordable 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. Bonds lost favor in financial markets as the economy transformed after the 2007 foreclosure crisis. However, recent changes in some of the Federal Guidelines around the use of tax credits together with other ongoing changes in the financial markets have made the Volume Cap program a viable funding option once again. Interest in these bonds to fund multi-family projects in our region is on the rise and staff regularly fields questions from potential developers.

Pedcor Investments, LLC, has requested Washoe County direct its 2023 allocation to a project they are developing in Sun Valley located off of Chocolate Drive. Both parcels are located on the west side of Chocolate Drive, about ¼ mile northwest of Lois Allen Elementary School. Washoe County's allocation would be used to support the construction of +/-240 multi-family affordable housing units. The units would be made available and restricted to persons at the 60% Area Median Income threshold and below.

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. The project is located within the jurisdictional boundaries of Washoe County and as such all development permitting will be processed by Washoe County. The primary benefit to Washoe County is the addition of 240 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 \$56,040 for a family of four and \$39,240 for a single individual.

A resolution transferring the county's 2023 Bond Cap in support of the Chocolate Drive low-income affordable multi-family housing 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 2023 pro-rata share of the State of Nevada's Private Activity Bonding Authority (\$6,889,172.03) to the Director of the State of Nevada Department of Building and Industry to support the construction of the "Chocolate Drive low-income affordable multi-family housing project" located off of Chocolate Drive in Sun Valley, Nevada, which is a multifamily project of approximately 240 affordable housing units

rent restricted to 60% of Area Median Income or below, and to authorize the chair to sign the resolution. (APN: 502-250-09 and 502-250-10, Applicant: Pedcor Investments, LLC. Project property owner, One Pedcor Square, 770 3<sup>rd</sup> Avenue, S.W., Carmel, IN 46032)

**POSSIBLE MOTION**

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

“Move to approve a resolution transferring Washoe County’s 2023 pro-rata share of the State of Nevada’s Private Activity Bonding Authority (\$6,889,172.03) to the Director of the State of Nevada Department of Building and Industry to support the construction of the “Chocolate Drive low-income affordable multi-family housing project” located off Chocolate Drive in Sun Valley, Nevada, which is a multifamily project of approximately 240 affordable housing units rent restricted to 60% of Area Median Income or below, and to authorize the chair to sign the resolution. (APN: 502-250-09 and 502-250-10, Applicant: Pedcor Investments, LLC. Project property owner, One Pedcor Square, 770 3<sup>rd</sup> Avenue, S.W., Carmel, IN 46032)

Exhibits:

Exhibit A - Letter of Application

Exhibit B – Resolution