



WASHOE COUNTY

Integrity Communication Service

www.washoecounty.gov

STAFF REPORT

BOARD MEETING DATE: November 18, 2025

DATE: Thursday, November 13, 2025

TO: Board of County Commissioners

FROM: Ryan Gustafson, Agency Director, Human Services Agency
(775) 785-8600, rgustafson@washoecounty.gov

THROUGH: Kate Thomas, Interim County Manager

SUBJECT: Recommendation to deobligate a previously approved allocation of Affordable Housing Trust Fund funds in the amount of [\$1,000,000] awarded to American Covenant Housing Foundation Inc. (ACHF) for the Sutro Senior Sanctuary Supportive Housing project. ACHF has stated that they are unable to complete the project and has subsequently rejected the funding. This deobligation will allow for the funding to be reallocated to other projects. The annual Affordable Housing Trust Fund report to the Board is also submitted with this staff report. (All Commission Districts). FOR POSSIBLE ACTION

SUMMARY

Recommendation to deobligate a previously approved allocation of Affordable Housing Trust Fund funds in the amount of [\$1,000,000] awarded to American Covenant Housing Foundation Inc. (ACHF) for the Sutro Senior Sanctuary Supportive Housing project. ACHF has stated that they are unable to complete the project and has subsequently rejected the funding. This deobligation will allow for the funding to be reallocated to other projects. The annual Affordable Housing Trust Fund report to the Board is also submitted with this staff report.

Washoe County Strategic Objective supported by this item: Vulnerable Populations; Expand Appropriate Housing Options Across Community

PREVIOUS ACTION

On May 28, 2024, the Board awarded American Covenant Housing Foundation Inc. for the Sutro Senior Sanctuary Supportive Housing project consisting of two buildings at 696 Sutro Avenue and 839 Sutro Avenue and 838 Quincy Street in the amount of \$1,000,000 and Accessible Space, Inc. (ASI) \$750,000 for the Line Drive Apartments Supportive Housing project at 1775 E 4th Street and authorize funds to be distributed from the Affordable Housing Trust Fund.

On April 3, 2024, negotiations with ASI and American Covenant Housing Foundation concluded resulting in recommendation for final funding approval to the Board.

AGENDA ITEM # _____

On February 23, 2024, after review and scoring by an evaluation committee, a Notice of Recommendation and Intent to Award identified two responsive and responsible bidders, Accessible Space, Inc. (ASI) and American Covenant Housing Foundation, Inc.

On December 7, 2023, the Housing and Homeless Division released RFP 3243-24 Affordable Housing Trust Fund, seeking applications for permanent supportive housing projects that would meet the needs and preferences of people experiencing chronic homelessness with a due date of February 2, 2024.

BACKGROUND

In 2018, the County was approached by a local advocacy group interested in enhancing housing resources in the region. Following a series of policy discussions, the Board set forth the elements of an ordinance and established the Washoe County Affordable Housing Trust Fund (AHTF). Since that date, adjustments were made and the AHTF evolved as a new and significant tool to finance affordable housing for extremely low-income households in need of Permanent Supportive Housing. The Affordable Housing Trust Fund supports the development and/or on-site supportive services costs related to the creation of permanent supportive housing projects.

Two recommended projects were approved by the Board in May of 2024: Line Drive Apartments by Accessible Space, Inc. for \$750,000 and Sutro Senior Sanctuary by American Covenant Senior Housing Foundation, Inc. for \$1,000,000. While the Line Drive Apartments project is progressing as planned, the Sutro Senior Sanctuary project faced funding difficulties when sources identified in the proposal did not materialize and costs continued to increase while additional resources were sought.

American Covenant Senior Housing Foundation, Inc. notified Washoe County in August 2025, that the project will be revised and will no longer meet the qualifications of the grant. As a result, the funding and grant agreements have been cancelled.

FISCAL IMPACT

There is no fiscal impact to Washoe County as the Affordable Housing Trust Fund is held by the Community Foundation of Northern Nevada. Washoe County receives quarterly statements from the Community Foundation of Northern Nevada on the balance of funds.

RECOMMENDATION

Recommendation to deobligate a previously approved allocation of Affordable Housing Trust Fund funds in the amount of [\$1,000,000] awarded to American Covenant Housing Foundation Inc. (ACHF) for the Sutro Senior Sanctuary Supportive Housing project. ACHF has stated that they are unable to complete the project and has subsequently rejected the funding. This deobligation will allow for the funding to be reallocated to other projects. The annual Affordable Housing Trust Fund report to the Board is also submitted with this staff report.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: *"Move to deobligate a previously approved allocation of Affordable Housing Trust Fund funds in the amount of [\$1,000,000] awarded to American Covenant Housing Foundation Inc. (ACHF) for the Sutro Senior Sanctuary Supportive Housing project. ACHF has stated that they are unable to complete the project and has subsequently rejected the funding. This deobligation will allow for the funding to be reallocated to other projects. The annual Affordable Housing Trust Fund report to the Board is also submitted with this staff report."*