

Grantee: Henderson, NV

Grant: B-08-MN-32-0001

July 1, 2017 thru September 30, 2017 Performance Report



Grant Number:

B-08-MN-32-0001

Obligation Date:**Award Date:****Grantee Name:**

Henderson, NV

Contract End Date:**Review by HUD:**

Reviewed and Approved

Grant Award Amount:

\$3,205,044.00

Grant Status:

Active

QPR Contact:

Tyler Garland

LOCCS Authorized Amount:

\$3,205,044.00

Estimated PI/RL Funds:

\$652,125.59

Total Budget:

\$3,857,169.59

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

The City of Henderson has been one of the fastest growing Cities in the nation over the past decade. The City experienced rapid land and housing price appreciation associated with this rapid growth. Within the past two years the so-called housing bubble has burst and statistics indicate Southern Nevada as a whole has been one of the most negatively impacted areas in the country. To some extent the City has experienced the same toxic combination of predatory and subprime lending practices coupled with low teaser rates on Adjustable Rate Mortgages (ARM) which have received recent national attention. These problems were magnified in Southern Nevada due to extreme real estate investor speculation associated with the rapid growth of the area. The resulting loss of owner equity has resulted in several neighborhoods within the City at risk of deterioration.

Distribution and and Uses of Funds:

The City of Henderson will seek partnerships with community based organizations as the preferred program delivery method. The City of Henderson will provide NSP funds to one or more nonprofit community based organizations that have the experience and capacity to assist the City in delivering the NSP funding to the described areas of greatest need. Partnerships will be established through a Request for Qualification (RFQ) or a Request for Proposal system (RFP). The RFQ or RFP and subsequent Agreements concerning the use of NSP funds will require utilization of funding within the areas of greatest need, as identified in section A. The City has identified the following tools to be used in addressing the three categories in the NSP statute within the identified areas of greatest need. The City will institute a Homebuyer Assistance Program (HAP) to assist households with incomes which do not exceed 120% of Area Median Income (AMI). The City will also provide funds to one or more nonprofit organizations through an RFQ or RFP process to purchase and rehabilitate homes and then sell to households with incomes which do not exceed 120% AMI. The City will provide funds through an RFQ or RFP process to one or more nonprofits to provide the required educational components in utilization of the NSP funds in purchasing properties.

Amendment:

The City of Henderson amended Southern Nevada Regional Housing Authority's Agreement. Their award was increased by \$75,056 of NSP1 federal funds. It was approved by City Council with no comments at the October 21, 2014 Council Meeting. The funds were allocated from the City's internal Housing Assistance Program.

Additionally, \$12,119.48 of Program Income was allocated to the Admin budget.

Definitions and Descriptions:

(1) Definition of blighted structure in context of state or local law.

A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. For purposes of the NSP the City of Henderson does not have blighted structures.

(2) Definition of affordable rents. The City of Henderson will use the lower of HUDs published Fair Market Rents (FMR) or the most current Local Housing-Market Conditions rents as published by the UNVL Center for Business and Economic Research to establish affordable rents for the NSP program.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

The City of Henderson will ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental, or development of abandoned and foreclosed-upon homes and residential properties assisted with NSP funds will remain affordable to individuals and families whose incomes do not exceed 120 percent of area median income. The City will adopt the HOME Program definitions and standards for affordability periods. These standards will conform to HOME program standards for homeownership housing found in 24 CFR 92.254 and for rentals found in 24 CFR 92.252 (a), (c), (e), and (f). To ensure



affordability of rental units the City will monitor each nonprofit utilizing NSP funds on a yearly basis to verify compliance.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

The housing rehabilitation standards that will apply to NSP assisted rehabilitation activities will require that all buildings be brought up to local code, that required building permits be obtained and that appropriate inspections be performed.

The City of Henderson Affordable Housing Program has existing established rehabilitation standards for use in existing rehabilitation activities. These locally developed standards meet the requirements of the existing HOME program and will be applied to NSP assisted activities.

Low Income Targeting:

The City will meet this requirement by funding 2 non-profits Southern Nevada Regional Housing Authority and Hope Link. The non-profits will purchase rehab and rent single family homes to households below 50% AMI.

The City of Henderson will use at least 25% of available NSP funds for the purchase and redevelopment of abandoned or foreclosed homes or residential properties for housing for individuals or families with incomes which do not exceed 50 percent of area median income. We expect this allocation of funding will primarily be utilized in the Purchase and Rehabilitation as Rental activity as described in section G.2 of this Plan, although some households may be qualified under the Purchase and Rehabilitation or Housing Assistance Program activities as well.

Acquisition and Relocation:

The City's policy will be not to acquire occupied properties. However if we do assist with the acquisition of an occupied property the City will follow URA Regulations.

Public Comment:

The Draft NSP Substantial Amendment document was made available for public review and comment in written form at City Hall and two public libraries, and electronically posted on the City of Henderson website at http://www.cityofhenderson.com/neighborhood_services/index.php.

Notice of the public review & comment period was posted in both English and Spanish in the local Review Journal newspaper on November 8, 2008. The comment period was open from November 8 through November 24, 2008. A public hearing to receive additional comments from the public was held during the City Council meeting on November 18, 2008, during which City Council approved submission of this Substantial Amendment.

The City received two comments during the public comment period and both concerned the Professional Services activity proposing Housing Counseling. The comments are as follows:

A) Participation with any agency or community partner to provide homebuyer education programs through the Neighborhood Stabilization Program should ensure the agency or community partner is:

- 1) HUD approved as a comprehensive housing counseling agency, preferably as a Local Housing Counseling Agency, as criteria and oversight is much stricter than for organizations approved through a national HUD intermediary.
- 2) Ensure any nonprofit agency or community partner providing service of any type through the Neighborhood Stabilization Program be financially solvent, as all services will be provided on a reimbursable basis. An agency or community partner not in the position to provide services from reserves while awaiting reimbursement may jeopardize the Neighborhood Stabilization Program. This is easily accomplished through accessing a nonprofit agency or community partner's 990 tax return (a public document) or by requesting audited financials, which all nonprofit or community partners should have to ensure adequate financial oversight.

B) To ensure that there is quality delivery of counseling and education services to the residents of Clark County by unbiased neutral housing counselors and educators, all such personnel shall obtain and maintain a Certified Housing Counselor designation, with such certification obtained by an accredited independent third party.

RESPONSE TO COMMENTS: The City intends to include these recommendations in developing the Professional Services Housing Counseling criteria.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$4,904,672.49
Total Budget	\$0.00	\$3,857,169.59
Total Obligated	\$0.00	\$3,857,169.59
Total Funds Drawdown	\$0.00	\$3,811,721.88
Program Funds Drawdown	\$0.00	\$3,172,025.88
Program Income Drawdown	\$0.00	\$639,696.00
Program Income Received	\$0.00	\$652,125.59
Total Funds Expended	\$0.00	\$3,811,721.88
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00



Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$480,756.60	\$0.00
Limit on Admin/Planning	\$320,504.40	\$293,487.34
Limit on Admin	\$0.00	\$293,487.34
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$964,292.40	\$1,575,410.14

Overall Progress Narrative:

In combination with NSP3, we have been seeking an eligible client or subgrantee to utilize the remaining NSP1 funds to purchase and rehab a home. However, we have found this to be difficult due to increase in home prices and the banks willingness to provide the 1% discount. As a result, we are seeking to close out this grant.

Total Homes Acquired: 34

Total Homes Sold: 22

Total Homes Rented: 12

Total Multi-Family Properties Acquired: 0

Total Multi-Family Units Rented: 0

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSPb, Acquisition and Rehabilitation	\$0.00	\$3,518,234.54	\$2,927,013.37
NSPf, Administration	\$0.00	\$338,935.05	\$245,012.51

