

AMENDMENT 1 TO THE CLARK COUNTY NSP SUBSTANTIAL AMENDMENT

Clark County, as the lead agency for the Urban County CDBG Consortium, on behalf of the City of North Las Vegas, is proposing to amend its Neighborhood Stabilization Program (NSP) Substantial Amendment to the FY 2008 Action Plan and Consolidated Plan, which was approved by HUD in March 2009. The City of North Las Vegas proposes to amend its approved budget of \$8,651,992 (comprised of \$6,837,736 federal allocation and \$1,814,256 State of Nevada allocation) to:

- **NSP Housing Counseling, Activity 4**, will be changed to **Desert Mesa Redevelopment, Activity 4 (will replace original Activity 4)** and the \$125,000 from the Housing Counseling Activity will be reallocated to the new Redevelopment Activity 4.
- \$3,000,000 of NSP funds from **Activity 3, NSP Home Buyer Assistance**, will be reallocated to the **Desert Mesa Redevelopment, Activity 4**.
- **Activity 3 will remain NSP Home Buyer Assistance** however, the NSP funding for that Activity will come from program income resulting from the disposition of the properties purchased and sold as part of Activity 2, NSP Purchase and Rehabilitation of Single-Family Housing. It is estimated that the program income will be \$1,409,860 (60% of the \$2,349,766 allocated to the City's NSP Purchase and Rehabilitation of Single-Family Housing Activity).

The City of North Las Vegas has determined that it is in the best interests of the community to reallocate dollars from two **current NSP Activities** to one **new NSP Activity**. The new activity complies with HUD's NSP requirements.

Attached is the amended budget, new Activity 4 sheet, an amended Activity 3 sheet and a Desert Mesa Redevelopment Map.

Original North Las Vegas NSP Budget

	NLV Direct Allocation	State of NV Allocation	TOTAL Allocation
Total NSP Allocation	\$6,837,736	\$1,814,256	\$8,651,992
NSP 50% AMI (25% Set-Aside)	\$1,709,434	\$690,273	\$2,399,707
Acquisition and Rehabilitation for Rental Housing	\$1,619,434	\$674,523	\$2,293,957
Redevelopment of 3 Properties in North Valley	\$90,000	\$15,750	\$105,750
NSP 50% AMI Subtotal	\$1,709,434	\$690,273	\$2,399,707
NSP ADMINISTRATION 10% CAP	\$683,774	\$93,745	\$777,519
General management, Oversight, and coordination	\$583,774	\$93,745	\$677,519
Professional services	\$100,000	\$0	\$100,000
NSP ADMIN Subtotal	\$683,774	\$93,745	\$777,519
NSP 120% AMI ACTIVITIES	\$4,444,528	\$1,030,238	\$5,474,766
Acquisition, Rehabilitation and Resale of Single Family Housing	\$2,319,528	\$30,238	\$2,349,766
Homebuyer Assistance Program	\$2,000,000	\$1,000,000	\$3,000,000
Targeted Zipcodes 89031, 89081, 89032			
Housing Counseling	\$125,000	\$0	\$125,000
NSP Activities Subtotal	\$4,444,528	\$1,030,238	\$5,474,766
TOTAL	\$6,837,736	\$1,814,256	\$8,651,992

North Las Vegas Amended NSP Budget

	NLV Direct Allocation	State of NV Allocation	TOTAL Allocation
Total NSP Allocation	\$6,837,736	\$1,814,256	\$8,651,992
NSP 50% AMI (25% Set-Aside)			
Acquisition and Rehabilitation for Rental Housing	\$1,619,434	\$674,523	\$2,293,957
Redevelopment of 3 Properties in North Valley	\$90,000	\$15,750	\$105,750
NSP 50% AMI Subtotal	\$1,709,434	\$690,273	\$2,399,707
NSP ADMINISTRATION 10% CAP			
General management, Oversight, and coordination	\$583,774	\$93,745	\$677,519
Professional services	\$100,000	\$0	\$100,000
NSP ADMIN Subtotal	\$683,774	\$93,745	\$777,519
NSP 120% AMI ACTIVITIES			
Acquisition, Rehabilitation and Resale of Single Family Housing	\$2,319,528	\$30,238	\$2,349,766
NSP Activities Subtotal	\$2,319,528	\$30,238	\$2,349,766
NSP PUBLIC FACILITIES - REDEVELOPMENT			
Acquisition of Desert Mesa for Redevelopment	\$2,125,000	\$1,000,000	\$3,125,000
NSP Activities Subtotal	\$2,125,000	\$1,000,000	\$3,125,000
TOTAL	\$6,837,736	\$1,814,256	\$8,651,992

NOTE: Homebuyer Assistance Program (estimated program income) \$1,409,860

ACTIVITY 4 (NEW ACTIVITY)

(1) Activity Name: **Desert Mesa Redevelopment**

(2) Activity Type:

NSP Eligible Use: Redevelop Vacant properties (HERA 2301(c)(3)(E))

**Eligible Activity: Acquisition (24CFR 270.201(a))
Disposition (24CFR 270.201(b))
Public Facilities (24 CFR 270.201(c))**

(3) National Objective:

**24 CFR 570.208(a) (1) Area Wide Benefit
24 CFR 570.208(a) (2) Limited clientele activity benefiting low income persons**

(4) Projected Start Date: **October 2009**

(5) Projected End Date: **July 2010**

(6) Responsible Organization:

**City of North Las Vegas
Office of Housing and Neighborhood Services
2225 Civic Center Dr. Suite 220
North Las Vegas, NV 89030
702-633-1524
Kenneth Young, Administrator**

(7) Location Description: **Zip Code 89030 – Census Tract 3700**

(8) Activity Description:

This activity will address neighborhood stabilization in census tracts 3602 and 3700 within the North Valley community through the acquisition of Desert Mesa (see Map) and subsequent redevelopment as a Public Facilities Campus. A 27 acre vacant parcel (including 10, vacant, unfinished and blighted homes), Desert Mesa has never been developed; several years ago, the Housing Authority of North Las Vegas failed to successfully develop the land and subsequently sold the property. NSP dollars will only be used for acquisition of the property.

As indicated on Map, Desert Mesa is surrounded by residential neighborhoods that are some of the oldest neighborhoods in North Las Vegas. Regal Estates, which is just to the north, has long been a very stable working class neighborhood; most residents have lived there for 30 or more years. In the initial stages of the foreclosure crisis this neighborhood was not severely affected, however with the deepening recession in the Las Vegas Valley, this neighborhood is seriously threatened and the number of foreclosures is on the rise. As for the other surrounding North Valley neighborhoods, the same is true; the great number of foreclosures in North Las Vegas has made North

Valley vulnerable to increasing vacant and blighted properties. The North Valley neighborhoods are not able to compete with the newer neighborhoods in the City that have many, many foreclosed properties in very good condition. Also, REO homes in North Valley are remaining on the market for significantly longer than other areas of North Las Vegas. The City has committed NSP dollars for the purchase of foreclosed properties in this area but this will not ensure the stabilization of the community. Without other development that can enhance the community, North Valley may never recover from this foreclosure crisis.

The redevelopment of Desert Mesa as an urban Public Facilities Campus will bring much needed facilities/services to the community. The proposed facilities are the Andre Agassi Early Childhood Education and Teaching Center, a Nevada Health Centers' Medical Clinic, United Way Community Center, and the North Las Vegas Fire Department Northern Stars Safety Village, one of three in the country. Funding for the development of each of the facilities will be the responsibility of each of the organizations and a majority of that funding has already been committed.

- 1. The Andre Agassi Early Childhood Education and Teaching Center will provide an engaging learning environment for neighborhood children where research based instructional strategies support student learning and growth with intellectually challenging curricula.**
- 2. The Nevada Health Centers' Medical Clinic will provide a full range of on-site health services to families.**
- 3. The United Way Community Center will provide rotating office space for non-profits who provide a variety of social services to the community.**
- 4. Northern Star Safety Village will provide hands on and classroom style safety training and rescue skills. This Village will consist of a museum, education building, garage, multipurpose room, cafeteria/gift shop, and approximately 30 village units.**

This campus will be an anchor in the emerging education and service corridor along Carey Avenue since several important institutions and projects have been put in place in the last 12- 24 months. Additionally, this development will encourage private investment in the community which has been previously non-existent. The project will also create construction related job opportunities over the next two years and create permanent long term employment opportunities and training for the community that is experiencing 14% unemployment.

I. Total Budget:

\$3,125,000 of NSP funds will be used to acquire the Desert Mesa property for redevelopment.

J. Performance Measures

The purchase and subsequent redevelopment of 27 acres of vacant property. This site is generally a target of vandals and the homeless thereby bringing down property values in the surrounding neighborhoods and increasing crime. The redevelopment of this site with a Public Facilities Campus will help stabilize not only the property values but also the North Valley community.

ACTIVITY 3 (AMENDED)

- (1) Activity Name: **NSP Home Buyer Direct Assistance**
- (2) Activity Type:
NSP Eligible Use: Purchase and Rehabilitation of Abandoned or Foreclosed Homes (HERA 2301(c)(3)(b))
Eligible Activity: Direct homeownership assistance (24CFR 270.201(n))
- (3) National Objective:
24 CFR 570.208(a)(2) Limited clientele activity benefiting low and moderate income persons (up to 120% MFI permitted under NSP)
- (4) Projected Start Date: **November 2009**
- (5) Projected End Date: **July 2010 – activity will continue with any program income.**
- (6) Responsible Organization:

**City of North Las Vegas
Office of Housing and Neighborhood Services
2225 Civic Center Dr. Suite 220
North Las Vegas, NV 89030
702-633-1524
Kenneth A. Young, Administrator**

Using an RFP process, non-profits will be identified to administer the HAP program.

- (7) Location Description: **Zip Codes 89031, 89032, 89081**
- (8) Activity Description:

The City of North Las Vegas' NSP Home Buyer Assistance Program will address neighborhood stabilization in zip codes 89031, 89032, and 89081. This program will be operated through designated participating non-profits and will provide up to \$25,000 for direct home buyer assistanc to include but not be limited to: down payment financial assistance, soft-seconds, loan loss reserves, interest rate reduction, to eligible 120% AMI or below households to assist them in becoming homeowners.

Financial assistance to the homebuyer will be in the form of a zero interest, deferred declining prorated payment loan, secured by a deed of trust. The minimum amount of any loan will be \$1,000 and the maximum amount will not exceed \$25,000 for homeownership assistance and maximum \$25,000 for rehabilitation. NSP funds will be recaptured upon sale, transfer or change of ownership of the assisted property. Refinancing of the NSP-assisted property is permissible only to refinance the existing mortgage to a lower interest rate thereby reducing the monthly payment on the first mortgage by a minimum of \$100.

The homebuyer will be required to:

- **Have a total gross income at or below the 120% of the area’s median income, adjusted for family size.**
- **Ascertain the necessary 1% discount on the selected foreclosed home in North Las Vegas.**
- **Occupy the home as a principal residence**
- **Qualify for a first mortgage through a pre-approved lender**
- **Complete a City approved, eight hour homebuyer training program**
- **Accept specific deed restrictions, including repayment of the loan upon sale, transfer of title, refinancing of the first mortgage, or leasing of the property.**

The City has chosen this activity rather than acquisition because the City believes it will have the greatest positive impact on the City’s neighborhoods. Using a homebuyers assistance programs will allow the City to remove nine foreclosed properties from the inventory for every one foreclosed property if the City would purchase the properties (this translates into 150 properties compared to 16 properties using the number of dollars the City plans on dedicating to this activity). Additionally, thus far in 2008, 80% of the City’s current HOME funded down payment assistance program homebuyers have purchased foreclosed properties. These facts, along with the enormous number of anticipated foreclosures in 2009 and 2010, are driving the City’s decision to implement this program.

I. Total Budget:

An estimated \$1,409,560 in program income (60% of the \$2,349,766 allocated to the City’s NSP Purchase and Rehabilitation of Single-Family Housing Activity) will be used for this Activity.

J. Performance Measures

Thirty to Sixty households will be assisted in purchasing a home. Homeownership assistance will help to stabilize property values in our target neighborhoods by assisting families to purchase and occupy vacant properties. This new investment of public funds into the target areas should stimulate private investment as other families purchase and/or rehabilitate homes in the area. These purchases will be undertaken using traditional 30-year, fixed rate loan products, thereby stopping the cycle of foreclosures that have resulted from exotic loan products. The influx of new families into the target areas will help to maintain local retail services that are struggling in the current economy.