

AMENDMENT 2 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) First Amendment to the 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 incorporate the following changes:

- \$825,000 in federal NSP dollars and \$1,000,000 in State NSP dollars will be moved from Activity 4, Desert Mesa Redevelopment, to Activity 2, NSP Purchase and Rehabilitation of Single-Family Housing. The acquisition of Desert Mesa will require only \$1,300,000 therefore the City of North Las Vegas has determined that it is in the best interests of the community to reallocate a total of \$1,825,000 to the Acquisition, Rehabilitation and Resale Program.
- \$90,000 in federal NSP dollars and \$15,750 in state NSP dollars will be moved from Activity 5, Single Family Home Construction, to Activity 1, NSP Acquisition and Rehabilitation for Rental (Activity 1). The redevelopment of three (3) properties in North Valley is no longer required (reallocated CDBG dollars will be used for the project) and the City of North Las Vegas has determined that it is in the best interests of the community to reallocate a total of \$105,750 to the Acquisition, Rehabilitation and Rental Program thereby meeting the NSP requirement of using 25% of total NSP allocation for persons at 50 % below AMI.

Minor additions or corrections have been made to Activity 1, 2 and 4 narratives and are highlighted in yellow on each activity sheet. The following pages include amended Activity 1, Activity 2 and Activity 4 sheets and the amended budget.

ACTIVITY 1 (AMENDED)

(1) Activity Name: **NSP Acquisition and Rehabilitation for Rental**

(2) Activity Type:

NSP Eligible Use: Purchase, Rehab and Rent Foreclosed properties (HERA 2301(c)(3)(B))

**Eligible Activity: Acquisition (24CFR 270.201(a))
Eligible Rehabilitation and Preservation Activities (24 CFR 570.202)**

(3) National Objective:

24 CFR 570.208(a) (2) Limited clientele activity benefiting low income persons

(4) Projected Start Date: **March 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 Young, Administrator**

(7) Location Description: **Zip Codes 89031, 89032, 89081, Census Tract 3602 Block Group 2 and Census Tract 3700**

(8) Activity Description:

This activity will address neighborhood stabilization in zip codes 89031, 89032, 89081 and census tract 3602, block group 2 and census tract 3700. Purchase of specific foreclosed properties will be dependent on highest degree of neighborhood need in conjunction with availability of foreclosed, moderately priced properties. Funds used for this activity will be used to meet the low income housing requirement for those below 50% AMI.

The City of North Las Vegas will select and acquire these properties prior to selecting a non-profit agency to rehab and manage them as affordable rental housing. The City will not retain ownership; through an RFQ process, selected non-profits will own, operate, and manage these NSP properties. The tenure of the beneficiaries will be rental and individual leases must be for at least one year. As currently interpreted, NSP considers rental revenue in excess of the cost of operating and maintaining the unit to be program income and must be returned to the City of North Las Vegas. The properties will remain affordable per the HOME affordability guidelines for those individuals below 50% AMI through deed restrictions.

All properties acquired under this activity must meet the required purchase discount of 1%.

I. Total Budget:

\$2,399,707 of NSP funds will be used to purchase and rehab foreclosed properties (**\$1,709,434** in federal NSP and **\$690,273** in state NSP). It is estimated that the average discounted cost for these properties will be \$160,000. This budget includes purchase of home, closing costs, minor rehab costs, carrying costs and project delivery costs directly attributable to a specific address.

J. Performance Measures

15 units of housing to be acquired, rehabilitated (minor), and rented to households that are below 50% of median family income. Acquisition and rehabilitation for rental will help to stabilize property conditions and values in our target neighborhoods by rehabilitating the housing stock and renting those units to qualifying families. This new investment into the target areas should encourage other families to purchase and/or rehabilitate homes in the area. These formerly vacant properties will no longer be an enticement to vandals and thieves. The participating non-profit owner will maintain these units long-term. The influx of new families into the target areas will help to maintain local retail services that are struggling in the current economy.

ACTIVITY 2 (AMENDED)

(1) Activity Name: **NSP Purchase and Rehabilitation of Single-Family Housing**

(2) Activity Type:

NSP Eligible Use: Purchase and rehabilitate homes and residential properties that have been abandoned/vacant or foreclosed upon, in order to sell, rent or redevelop such homes and properties. (HERA 2301C(3)(b))

Eligible Activity: Acquisition, disposition, possible relocation, direct homeownership assistance, eligible rehabilitation and preservation activities for homes and other residential properties and housing counseling for those seeking to take part in the activity. (24 CFR 570.201(a) and 570.202)

(3) National Objective:

24 CFR 570.208(c) Housing assisted with NSP funds will provide permanent housing to low-, moderate- and middle-income persons

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

(5) Projected End Date: **September 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 Young, Senior Assistant to the City Manager**

The City of North Las Vegas will administer the revolving loan fund and will select development partners through a competitive request for proposals process.

(7) Location Description: **Eligible Census Tracts 89031, 89032, and 89081, Census Tract 3602 Block Group 2 and Census Tract 3700**

(8) Activity Description:

The purpose of the program is to acquire and rehabilitate foreclosed and abandoned homes in heavily impacted neighborhoods and resell them to program-eligible owner-occupants. Using NSP funds (and other lines of credit as available) the City will purchase the abandoned and/or foreclosed homes and then convey these properties to non-profit organizations selected by the City through a competitive RFP/RFQ process to rehabilitate them to City housing standards. Homes may be purchased individually or through a bulk sale. Upon completion of rehabilitation, homes would be marketed to

eligible buyers. This activity will provide affordable homeownership opportunities for households earning less than 120% AMI.

All properties acquired under this activity must meet the required purchase discount of **1%**. The discounted price shall be supported by an appraisal meeting the requirements of the Notice.

The City will provide funds for the acquisition, rehabilitation and redevelopment of the homes to include related eligible development and activity delivery costs, sales and closing costs, and reasonable developer's fees. The /non-profit/developer will then sell each home to an eligible buyer. It is anticipated that the new purchasers will be provided with homebuyer assistance in the form of down payment assistance, closing costs, interest rate buy down, principal reduction or other financing mechanisms as described in Activity 3.

As an alternative to sale, the City may authorize the home to be transferred to the rental program described in Activity 1.

Funds repaid by the non-profit/developer from sale proceeds will be treated as program income according to the terms of the Notice and used to fund additional NSP activities.

(9) Total Budget:

\$ 3,144,528 in Federal NSP funds and **\$1,030,238** in State NSP funds will be used to purchase abandoned/vacant or foreclosed properties and provide rehabilitation. It is estimated that the average discounted cost for these properties will be \$185,000. This budget includes purchase of home, closing costs, rehab costs, carrying costs and project delivery costs directly attributable to a specific address.

(10) Performance Measures

Twenty-two (22) households with income at 120% AMI or lower will be assisted to purchase rehabilitated abandoned/vacant or foreclosed homes. **Some of the program income from this activity (an estimated \$1,409,860 in program income) will be used for Activity 3, the Homebuyer's Assistance Program.**

Acquisition and rehabilitation for resale will help to stabilize property conditions and values in our target neighborhoods by rehabilitating and modernizing housing stock and then assisting families to purchase and occupy vacant properties. Rehabilitation will incorporate energy efficiency and conservation measures that will reduce household utility costs thereby providing more disposable income to the new owners. This new investment into the target areas should encourage other families to purchase and/or rehabilitate homes in the area. These resale 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 and to help stabilize school enrollment

ACTIVITY 4 (AMENDED)

(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: **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:

\$1,300,000 of NSP funds will be used to acquire the Desert Mesa property for redevelopment.

J. Performance Measures

The purchase and subsequent redevelopment of **14** 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.

North Las Vegas Amended NSP Budget - 2

	NLV Direct Allocation	State of NV Allocation	TOTAL Allocation
Total NSP Allocation	\$6,837,736	\$1,814,256	\$8,651,992
Total All Allocated Funds	\$6,837,736	\$1,814,256	\$8,651,992
NSP 50% AMI (25% Set-Aside)			
Acquisition and Rehabilitation for Rental Housing	\$1,709,434	\$690,273	\$2,399,707
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	\$3,144,528	\$1,030,238	\$4,174,766
NSP Activities Subtotal	\$3,144,528	\$1,030,238	\$4,174,766
NSP PUBLIC FACILITIES - REDEVELOPMENT			
Acquisition of Desert Mesa for Redevelopment	\$1,300,000	\$0	\$1,300,000
NSP Activities Subtotal	\$1,300,000	\$0	\$1,300,000
TOTAL	\$6,837,736	\$1,814,256	\$8,651,992
NOTE: Homebuyer Assistance Program (estimated program income)			<u>\$1,409,860</u>