

**Status of Clark County and North Las Vegas, Nevada  
Neighborhood Stabilization Program (NSP)  
July 1, 2009 to September 30, 2009**

Clark County and North Las Vegas have made progress in implementing the new HUD Neighborhood Stabilization Program. All funds expended to date have been Federal NSP funds.

This Quarter, The Housing Authority of Clark County (HACC) purchased one foreclosed home for the Acquisition/Rehabilitation/Rental Program and they have closings scheduled to date for an additional six properties by the end of October. The City of North Las Vegas is actively inspecting prospective properties and will have several properties in escrow by the end of October or early November.

Clark County, North Las Vegas and Henderson reviewed and evaluated a combined Notice of Funding Availability (NOFA) for an Acquisition/Rehab/Resale Program to procure Developers to undertake the purchase, rehab, and resale of foreclosed properties. The Clark County Board of Commissioners approved the three Developers identified by County staff and executed grant agreements on September 1 and September 15, 2009. The North Las Vegas City Council approved the allocation of funding to four non-profit developers on September 2, 2009 for the City's Acquisition/Rehab/Resale Program. Additionally on September 2, 2009, the North Las Vegas City Council approved the allocation of funding to one non-profit developer for the administration of the Acquisition/Rehab/Rental Program.

An application for subrecipients to provide a Homebuyer Assistance Program for Clark County, and the Cities of Las Vegas, North Las Vegas and Henderson was released on July 17, 2009. The local jurisdictions reviewed and evaluated application responses as a committee, and staff from each jurisdiction identified nonprofit agencies to recommend for their respective Board/Council approval. Clark County Board of Commissioners approved the four Subrecipients recommended by staff and Resolutions were executed on October 6, 2009.

Clark County and North Las Vegas are currently in the process of integration with the Neighborhood Community Stabilization Trust (NCST) to assist with first-look REO property acquisition. This strategy will facilitate property acquisition in Clark County and the City of North Las Vegas for nonprofit grantees in the Acquisition Rehab Resale program as well as the Acquisition Rehab Rental program.

On September 16, 2009 the North Las Vegas City Council approved an amendment to the NSP Substantial Amendment to reallocate the \$3,000,000 for the Home Buyer's Assistance Program to the acquisition of Desert Mesa for the purpose of redeveloping the site for a Public Facilities Campus. Additionally, \$125,000 allocated to homeownership counseling will also be reallocated to the purchase of Desert Mesa. Program income from the reselling of homes acquired through the Acquisition/Rehab/Resale program will be used for the Home Buyer's Assistance program. It is estimated that will total \$1,409,860 (60% of the \$2,349,766 allocated to the City's NSP Purchase and Rehabilitation of Single-Family Housing Activity). The Amendment was submitted to HUD for approval in October.

The following sections provide a breakdown of the great effort expended to try to implement the Neighborhood Stabilization Program in an expeditious manner.

### **Public Outreach**

The NSP email list is continually updated with addresses of parties that have expressed interest in the Neighborhood Stabilization Program. Updates regarding the Notice of Funding Availability and Request for Applications were communicated by email directing those interested to the Clark County NSP website for additional information in July and August 2009. An update identifying all Clark County approved nonprofit partners with contact information for the three County NSP Programs was released on October 6, 2009. The information was also posted on the County's NSP website. As public inquiries are received by phone, email or in-person, staff directs to approved nonprofit administrators of the NSP programs.

In July 2009, County and City staff met with HUD and staff from the Treasury to discuss issues surrounding NSP. In August 2009, County and City staff participated in a public briefing hosted by the Urban Chamber of Commerce at the Rainbow Academy. Staff also participated in briefings with Senator Reid's office as well as Congresswoman Titus's office in August 2009 to provide updates related to NSP program implementation as well as feedback in programmatic issues as they will relate to NSP2. On September 23<sup>rd</sup> both City and County staff met with the General Accountability Office to discuss the program.

The City of North Las Vegas regularly reports on the status of the NSP at the monthly meetings with the North Valley community.

### **Interlocal Cooperation**

Interlocal cooperation has been essential in Southern Nevada's work on implementing the NSP. The NSP Interjurisdictional Committee (NSP IC) continues to meet on a regular basis. The NSP IC includes Clark County and the cities of Las Vegas, North Las Vegas and Henderson. Working alongside local jurisdictions provides a consistent and unified approach to the implementation of NSP in Southern Nevada which is helpful to our nonprofit partners as well as the public. All jurisdictions have worked together in the formation of grant agreements as well as the required forms/checklist for use by nonprofit grantees in program implementation.

Staff continues to participate in the NSP Housing Task Force, a bi-weekly statewide conference call to discuss issues related to NSP. Kirk Clausen, President of Wells Fargo, Nevada, chairs the State Task Force.

### **NSP Activities/Programs**

The following provides the status of each of the NSP Projects for Clark County and the City of North Las Vegas.

### Homebuyer Assistance Program (HAP)

This program is designed to assist individual homebuyers with downpayment, closing costs, principal buy down and minor rehabilitation to purchase a foreclosed home in an NSP targeted neighborhood. Minor rehab in order to meet code requirements for health and safety is the first priority, additional home performance features particularly as related to energy and water consumption are encouraged. The NSP IC issued a revised Request for Applications to help identify subrecipients on July 17, 2009 with 12 business days for responses. A technical assistance workshop required for all applicants was held on July 29, 2009. Applications were due on August 5, 2009 and six responses were received by the deadline.

The NSP IC reviewed and evaluated all responses on August 10 and August 11, 2009. The evaluation categories included overall application responsiveness, experience/qualifications, organizational/financial capacity, proposed program and strategy, and proposed program implementation. Proposed program budgets were evaluated to determine cost reasonableness within the parameters determined by the NSP IC prior to the release of the Request for Applications. Following review, the NSP IC determined four applicants to be most responsive and each jurisdiction met with the agencies separately to discuss the specific operations of the program as well as a grant agreement.

### **CLARK COUNTY**

Clark County staff conducted meetings with the 4 recommended HAP agencies on September 9, 10, 11 and 14, 2009. The Board of County Commissioner's approved the recommended subrecipients at the October 6, 2009 Board meeting.

An implementation workshop with the Subrecipients was conducted by County staff on October 13, 2009 to review forms, checklists and other resources needed for program implementation. Grant agreements specify that funds must be obligated within 10 months. A progress interview will be conducted with each Subrecipient in January 2010 and a full monitoring meeting scheduled in April 2010.

The following nonprofit agencies have been approved to administer the Clark County NSP Homebuyer Assistance Program with NSP federal funds:

#### **1) Consumer Credit Counseling Service**

Recommended program funding: \$2,140,000

Maximum Administration Expense Reimbursement: \$107,000

Total Funding Recommended: \$2,247,000

Minimum number of units to be completed: 41

#### **2) Housing for Nevada**

Recommended program funding: \$1,700,000

Maximum Administration Expense Reimbursement: \$85,000

Total Funding Recommended: \$1,785,000

Minimum number of units to be completed: 32

**3) Neighborhood Housing Services of Southern Nevada**

Recommended program funding: \$1,500,000

Maximum Administration Expense Reimbursement: \$75,000

Total Funding Recommended: \$1,575,000

Minimum number of units to be completed: 28

**4) Nevada Partners, Incorporated**

Recommended program funding: \$1,460,000

Maximum Administration Expense Reimbursement: \$73,000

Total Funding Recommended: \$1,533,000

Minimum number of units to be completed: 29

TOTAL NSP FUNDS TO BE GRANTED: \$7,100,000

Of that total, \$340,000 is available to the subrecipients for reimbursement of Administration Expenses.

TOTAL MINIMUM NUMBER OF UNITS TO BE COMPLETED: 130

(Minimum completed units based on the assumption of maximum available assistance provided to each household, actual number of units expected to be greater)

**NORTH LAS VEGAS**

City of North Las Vegas staff met with the recommended HAP agencies on October 7<sup>th</sup> to discuss the Amendment to the Substantial Amendment that will reallocate the \$3,000,000 originally dedicated to the HAP program and the use of the program income from the Acquisition, Rehab, Resale program. The approval of the four agencies is on the City Council agenda for November 4, 2009 and they are:

- 1) Consumer Credit Counseling Service
- 2) Housing for Nevada
- 3) Neighborhood Housing Services of Southern Nevada
- 4) Nevada Partners, Incorporated

The City estimates that approximately \$1.4 million will be received as program income from the resale of the acquired properties.

Acquisition/Rehab/Rental Program

**CLARK COUNTY**

The Housing Authority of Clark County (HACC) is acting as a subrecipient to Clark County to carry out an Acquisition, Rehab, and Rental Program. These homes, once they are purchased and rehabilitated, will be rented out by the HACC to households at or below 50% of area median income. This will help Clark County meet the requirements of the NSP to target 25% of the total funds to households at or below 50% of area median income. Rehabilitation is expected to be

extensive and Clark County has established NSP construction and rehabilitation standards with a focus on home performance and energy efficiency.

An Interlocal Agreement for the award of \$2,207,265 in Federal NSP funds and \$5,309,727 in State NSP funds to assist the HACC to purchase, rehabilitate and rent approximately 70 foreclosed single-family homes was approved on the June 16, 2009 BCC Agenda and by Housing Authority at their June 17, 2009 Board Meeting.

With assistance from Clark County staff, HACC has started to acquire properties through the Fannie Mae and Wells Fargo First-Look REO property acquisition programs. One acquisition closed on September 30, 2009, with four additional property closings scheduled for October 12, 2009. An additional six offers were made and of those purchase offers, two have been accepted to date. Inspections and Environmental Reviews of those two accepted offers are currently underway and closings will be scheduled upon completion.

Total amount of funds drawn for HACC for property acquisition July 1- September 30, 2009 is **\$80,338.48** (all Federal) to purchase a single family home located at **6838 Silver Eagle Avenue, Las Vegas, NV 89121**. Rehabilitation of this acquired property is expected to begin in October 2009. The Housing Authority has not yet requested payment for Administration expenses.

Clark County continues to evaluate other options for an additional Acquisition/Rehab/Rental program with a focus on very low income special needs populations.

## **NORTH LAS VEGAS**

On September 2, 2009, the City Council approved Community Development Programs Center of Nevada (CDPCN) as the Developer to carry out the City's Acquisition, Rehab, and Rental Program. These homes, once they are purchased by the City, will be conveyed to CDPCN to be rehabilitated and then rented to households at or below 50% of area median income. This will help the City meet the requirements of the NSP to target 25% of the total funds to households at or below 50% of area median income. A total of \$2,293,957 is dedicated to this program.

### Acquisition/Rehab/Resale Program

## **CLARK COUNTY**

This program will involve the purchase, rehabilitation and resale of foreclosed and abandoned properties in the NSP targeted neighborhoods. Rehabilitation is expected to be extensive and NSP construction and rehabilitation standards have been established with a focus on home performance and energy efficiency. Homebuyers that purchase these properties will also receive direct homebuyer assistance.

Two non-profit developers were approved by the Clark County Board of Commissioners on September 1, 2009 and the third developer approved on September 15, 2009. As program income is generated from the resale of homes to NSP-eligible homebuyers, the program is expected to expand.

**1) Community Development Programs Center of Nevada**

Federal Grant funding awarded: \$3,085,818

Minimum number of units to be completed: 14

**2) Housing for Nevada**

Federal Grant funding awarded: \$3,085,818

Minimum number of units to be completed: 18

**3) HAND Development Company**

Federal Grant funding awarded: \$898,254

State Grant funding awarded: \$2,187,564

Total funding awarded: \$3,085,818

Minimum number of units to be completed: 18

An Implementation Workshop was held by Clark County staff on October 1, 2009 to discuss the program procedures, required forms/checklists as well as other NSP program resources. Property acquisition by each Developer is expected to commence by the end of October 2009. Grant agreements specify that funds must be obligated within 10 months. A progress interview will be scheduled with each Developer in December 2009, and a full monitoring meeting in March 2010.

**NORTH LAS VEGAS**

On September 2, 2009, the City Council approved four non-profit Developers to carry out the City's Acquisition, Rehab, and Resale Program. These homes, once they are purchased by the City, will be conveyed to the non-profit developers to be rehabilitated and then sold to households at or below 120% of area median income. The nonprofits that will utilize the \$2,349,766 dedicated to this program are:

- 1) Community Development Programs Center of Nevada
- 2) Housing for Nevada
- 3) HAND Development Company
- 4) Mission Housing

It is estimated that a minimum of 20 units will be completed with this program. The program income derived from the sale of these homes will be used for the Homebuyers Assistance Program. Approximately \$1.4 million should be received as program income.

**Redevelopment**

During this quarter, the City of North Las Vegas purchased two vacant lots in one of the targeted neighborhoods, North Valley, with CDBG funds. The properties are being conveyed to Habitat for Humanity and \$105,750 of NSP funds are committed to assist in the construction of affordable housing for households at 50% AMI. It is anticipated that Habitat will begin construction in November.

## **Administration**

Total Clark County NSP Administration funds drawn from July 1 – September 30, 2009 is **\$13,223.52** (all Federal). This includes funds to cover expenses associated with staff payroll, property inspections, and staff travel to NSP trainings.

The City of North Las Vegas is preparing to drawdown \$32,045.50 from Clark County for Administrative expenses and this will be reported in the next QPR. Of that amount, \$23,724.24 was for expenses from July 1, 2009 – September 30, 2009.

## **Issues and Concerns**

The NSPIC continues to be concerned with the variations in interpretation of the NSP Regulations. The majority of our activities are done in conjunction with our non-profit partners and developers. Constant changes in the interpretation of the NSP Regulations and Guidelines make our implementation a moving target and slow down the process of drafting agreements. Despite delays, the obligation deadlines have not been extended, and therefore Clark County has imposed obligation deadlines on the nonprofit grantees in order to comply with the original timeliness requirements.

Property acquisition delays and/or complications are largely the result of brokers and banks response times as well as an unwillingness to partner with us. Despite all of the work put in to program design and implementation, if financial institutions will not comply with NSP requirements (specifically around tenant occupancy and purchase discounts), we cannot purchase REO properties using NSP funds. There is a great deal of competition for affordably priced homes from investors offering cash at prices greater than market value.

Additional training would still be helpful on both the Disaster Recovery Grants Reporting (DRGR) System and overall NSP program implementation.