

Action Plan

Grantee: Las Vegas, NV

Grant: B-11-MN-32-0002

LOCCS Authorized Amount:	\$ 10,450,623.00
Grant Award Amount:	\$ 10,450,623.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 12,500,000.00
Total Budget:	\$ 22,950,623.00

Funding Sources

No Funding Sources Found

Narratives

Summary of Distribution and Uses of NSP Funds:

Neighborhood Stabilization Program (NSP3) Allocation to Serve Households earning at or below 50% of Area Median Income (Minimum 25% Requirement)

Long Term Rental Housing for Low Income – 50% AMI [16 Households]

The City will purchase and rehabilitate abandoned, foreclosed, or short-sale homes at an aggregate 1% discount from current appraised value within the targeted neighborhoods. The City will retain ownership of these homes and contract through a Request For Proposal (RFP) process with a non-profit and/or public agency to manage and operate the homes as affordable rental housing for persons and families earning at or below 50% AMI. The selected agency will use the housing units to serve persons who are not prepared for homeownership, but are capable of paying rent. The program income derived from the rent revenue will be used to maintain the properties and pay the management fee to the selected agency. These homes will be maintained in the City's affordable rental housing stock for a period of 15 years.

Neighborhood Stabilization Program (NSP3) Allocation to Serve Households earning at or below 120% of Area Median Income

Acquisition/Rehabilitation & Re-sale Program (ARR) – 120% AMI

The City will use NSP-3 funds to acquire and rehabilitate abandoned, foreclosed and short sale homes at 1% below appraised value within Target neighborhoods to be made available for sale to qualified households earning up to 120% AMI. A list of move-in ready homes will be provided to selected non-profit agencies operating the Homebuyer Assistance Program for distribution to families who have completed their minimum 8 hour housing counseling and obtained a home loan pre-approval. All homes will be marketed and shown by Brokers selected by the City through the Request For Qualification process. Any funds not used in a timely manner for this program will be allocated to the Homebuyer Assistance or Long Term Rental Housing.

Homebuyer Assistance Program (HAP) – 120% AMI [40 Households]

The City will provide NSP3 funding to non-profit agencies, selected through an RFP process, to administer a homebuyer assistance program assisting persons earning up to 120% AMI to purchase City acquired and rehabilitated homes in targeted neighborhoods. The program provides mortgage buy down and/or down payment and/or closing cost assistance not to exceed \$50,000 (NSP-1 families required an average of \$30,000 assistance). The selected agencies must provide a minimum 8 hours of housing counseling through a HUD certified housing counselor. Any funds not used in a timely manner for this program will be allocated to the Acquisition/Rehabilitation & Re-sale or Long Term Rental Housing.

Substantial Amendment September 19, 2019

The City submits its substantial amendment to its NSP 3 Action Plan. At the time, the City received its NSP 3 Program funding, the city of Las Vegas was facing a housing crisis, and home prices plummeted 60 percent, which was nearly twice the national rate. To stave off long lasting devastation to communities and the housing market, HUD awarded the City NSP 1 and NSP 3 grant funds. The full housing recovery in the original target area(s) compels the City to remove them from the NSP 3 program and refocus resources to the revitalization of the Historic Westside in zip code 89106. The proposed target



area is part of a larger, more comprehensive redevelopment plan. This community has a rich African American history that includes the first integrated casino, the Moulin Rouge. It spans 3.5 square miles, is centrally located in the City and in close proximity to Interstate 15 and US-95. It is bounded by Owens to the north, Washington on the south, I-15 to the east, and H street on the west. The City will be selling its 18 rental properties at Fair Market Value and reinvesting the proceeds into revitalizing the Historic Westside.

How Fund Use Addresses Market Conditions:

The intent of the Neighborhood Stabilization Plan is to address decline in the identified area(s) due to the negative effects of a high number and percentage of homes which have been foreclosed upon, and then stabilize the neighborhood and position it for a sustainable role in a revitalized community. The value of residential properties has dropped by as much as 70% in Las Vegas and will continue this downward trend as the condition of abandoned, foreclosed, or short-sale homes deteriorates due to neglect and vandalism. The City of Las Vegas has the highest foreclosure (11% received a foreclosure filing, 5 times the national average) and unemployment (14.38%) rate in the nation, which has had a tremendously harmful impact on the local economy and tax base. Target neighborhoods are unable to financially support the maintenance of their streets and parks resulting in physical deterioration, while neighborhood businesses continue to fail due to a diminished customer base creating further disinvestment. Therefore, the NSP3 program requires cities to develop activities that will reduce the number of abandoned, vacant, and short-sale homes from our existing housing stock rather than constructing more housing in an already saturated market.

The Target neighborhoods have been selected based upon their risk factor scores, number of homes in foreclosure, number of homes at risk of foreclosure, percentage of high risk loans, loss of home value and unemployment rate. Ten percent (10%) of the homes in the target neighborhood are in foreclosure with an additional 6% Real Estate Owned, another 8% 90 days delinquent and a 51% loss in home values. The City overlaid this data on neighborhoods where NSP-1 funds were previously utilized to purchase and rehabilitate single family housing with the intent to place qualified families in them; and continue to be invested in order to leverage previous and on-going efforts to create a meaningful and positive impact. As NSP-3 funds are invested in Target neighborhoods; the City will monitor changes in the number of foreclosed homes, Neighborhood Indicators (crime statistics, public nuisance complaints), number of vacant, abandoned, and short-sale homes and property values based on comparative sales data. The City also recognizes that the foreclosure crisis is far too immense to be entirely resolved by the limited amount of federal and local funding available. Therefore the City has chosen to concentrate on Target neighborhoods that are still "relatively" healthy, but at risk of becoming blighted. Investment of the limited funding sources into already blighted neighborhoods would be ultimately imperceptible and fall short of the NSP-3 intent to create a positive and sustainable impact.

Substantial Amendment September 19, 2019

Revitalizing the Historic Westside is a high priority of City Council and the City Manager's Office. The area currently has a greater population of extremely low-income residents and is predominantly made up of African American and Hispanic ethnicities. Median home prices are well below that of homes in the immediate surrounding area in West Las Vegas and vacant lots make up the second largest land category, comprising 15.5% (248.2 acres) of the total land area. Under this substantial amendment, the City proposes adding the 'Redevelopment' activity (Eligible Use E) to its NSP 3 HUD Action Plan in support of its redevelopment efforts in the Historic Westside. The City will create more affordable housing to spur economic development. The City owns 1100 D Street, which is four contiguous parcels along the block of Jefferson & D Street (1 acre), 6 parcels along Jefferson Street between D & E Streets (0.80 acres), and two non-contiguous parcels along Madison Street (0.16 acres). A substantial mixed use, mixed income development and affordable housing will be constructed on the parcels.

Ensuring Continued Affordability:

The Program will require a deferred loan period of up to 15 years. Homebuyer will be required to repay the appropriate portion of the assistance provided according to the repayment schedule below if any one of the following occurs: o Housing does not continue to be the principal residence of the homebuyer; o Property owner has breached the terms of the program agreement; o The property is sold or title is otherwise transferred during the period of affordability. Repayment Schedule If the homebuyer sells the property within the first 5 years of purchase; the entire grant or loan amount will be deemed repayable to the city of Las Vegas. If the homebuyer received assistance in an amount greater than \$15,000 but less than \$40,000 and sells the property after the 5-year period, the prorated repayment schedule below will be followed: Deferred Loan with 10 year Period of Affordability> thru the end of year 5 = 100% of loan amount> thru the end of year 6 = 50% of loan amount> thru the end of year 7 = 40% of loan amount> thru the end of year 8 = 30% of loan amount> thru the end of year 9 = 20% of loan amount> thru the end of year 10 = 10% of loan amount> At the end of the 10th year, no payment requirement If the homebuyer received assistance in an amount greater than \$40,000 and sells the property after the 5-year period, the prorated repayment schedule below will be followed: Deferred Loan with 15 year Period of Affordability> thru the end of year 5 = 100% of loan amount> Year 6 through the end of year 7 = 50% of loan amount> Year 8 through the end of year 9 = 40% of loan amount> Year 10 through the end of year 11 = 30% of loan amount> Year 12 through the end of year 13 = 20% of loan amount> Year 14 through the end of year 15 = 10% of loan amount At the end of the 15th year, no payment requirement The affordability period commences the day the deed is recorded at the Office of the County Recorder. The required recapture provisions will be enforced through the execution of a loan agreement between the city and the homebuyer, which will include the signing of a Promissory Note and a Deed of Trust. Foreclosure In the event the homeowner's property goes into foreclosure proceedings; the city will take all precautions necessary to ensure the program funds invested in the property are protected. Should the homebuyer lose possession of the property through foreclosure, the City must be properly notified by a recorded Request for Notice in order for the City to be included in the division of net proceeds to satisfy the repayment of the program funds. This would essentially write off the loan. The homeowner will be required to acknowledge and agree that the city of Las Vegas will require repayment of the program funds from the net proceeds (if any) from the foreclosure sale, and this amount will satisfy the repayment of the program funds. The City will have the first right of refusal to purchase the home at the city's option. Payoff Should the homeowner decide to repay the program funds invested in the property according to the repayment schedule, the homeowner shall issue a check to the City of Las Vegas in the amount owed as outlined in the repayment schedule. The City will then execute a Substitution of Trustee and a Deed of Reconveyance and send this to the homeowner to record at the County Recorder's Office. Refinancing Refinancing of an assisted property is allowable only to lower the interest rate and monthly payment on the first



mortgage by a minimum of \$100 per month unless the program money is repaid to the City in the refinancing process. The City of Las Vegas will not subordinate its position for other credit debt or loans which do not meet the criteria noted above. In addition, the City will not subordinate its position if the borrower is refinancing to "cash-out" their equity for any reason. The applica

Definition of Blighted Structure:

A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.

Definition of Affordable Rents:

Definition of Affordable Rents: Rates for the affordable rental housing shall be based on the low HOME or fair market rent whichever is less to households who at the time of initial occupancy have income determinations that are equal to or less than 50% of area median income adjusted for family size as shown on the HUD Program Income Guidelines in effect at the time when the property is rented.

Housing Rehabilitation/New Construction Standards:

Upgrading substandard single-family residential homes by correcting housing deficiencies and addressing items deemed essential for basic health, safety, and welfare. All work shall meet 2006 International Building Code (IBC), 2006 Uniform Plumbing Code (UPC), 2006 Uniform Mechanical Code (UMC), 2005 National Electric Code (NEC) and the 2006 International Energy Conservation Code. New codes will automatically become effective when adopted by the city of Las Vegas Building and Safety Department.

o Eligible rehabilitation activities include but are not limited to:

Roofing

Mechanical (NOTE: All HVAC units 8 years or older will be replaced with gas or electric ENERGY STAR rated 14 SEER HVAC system

Electrical (NOTE: Light fixtures will be replaced with ENERGY STAR rated light fixtures complete with ENERGY STAR rated compact florescent bulb)

Plumbing (NOTE: Bath/Shower faucets will be replaced with EPA certified WaterSense (minimum flow rate of no more than 2.0 gpm, tested at a flowing pressure of 80 lbs. per square inch) tub and shower faucet and valves, including new riser to new shower head)

Insulation to include Air Sealing

Doors (includes hardware)

Windows (reglazing, frames, handles and cranks, replace existing windows with dual pane, low e, energy efficient type)

Floor Covering which will include when feasible replacing carpeting in bedrooms, hallways, living rooms, family rooms, bathrooms, kitchens, entryways, or laundry rooms with tile; laminate; or vinyl flooring with pad and vapor barrier which carries a 15-year warranty (no carpeting will be installed in bathrooms, kitchens, entryways, or laundry rooms) If carpet is installed, both carpet and pad shall meet FHA requirements, per HUD/FHA UM-44d, which shall be stamped on the materials. Pad shall be a Bonded Urethane. 0.47 thick, with a 1959 density rating. Carpet shall have a "Face Weight" of 48 oz., be 100% polyester with a seven (7) year wear and texture retention warranty.

Wall Repair (drywall and plaster)

Counter Tops and Cabinetry

Debris Removal (includes tree removal if necessary)

Replacement of appliances to include stove, dishwasher, and refrigerator, with appliances that meet or exceed Energy Star rating when applicable (allowed per Fed. Reg. Vol 73, No. 194, P. 58338)

Perform an Energy Audit which includes a Door Blower Test before and after the rehabilitation as well as a Duct Blaster Test with the result of air sealing the property to at least CFM50 pa for single family houses

Replace grass landscaping with drought tolerant landscaping

Tub and shower enclosures will be replaced with one-piece fiberglass or similar enclosure

Paint interior walls and ceiling with a 10-year quality satin low volatile organic compound (VOC) paint (<50 grams/liter of VOC) and paint exterior surfaces with a 10-year quality latex exterior low volatile organic compound (VOC) paint (<50 grams/liter of VOC.) Provide two (2) coats of paint, one (1) primer coat and one (1) finish coat, or two (2) finish coats

Thorough cleaning following Rehabilitation work.

Vicinity Hiring:

The City will to the greatest extent feasible, provide opportunities for residents and businesses within the Target Neighborhood (Alexander-Buffalo-Gowan-El Capitan) to benefit from the economic stimulus and job creation and/or retention resulting from the acquisition and rehabilitation of abandoned, foreclosed, and short-sale homes therein. The Target Neighborhood is composed primarily of residential properties (2,420 homes) wherein 24% of the homes are either in foreclosure, Real Estate Owned or are at least 90 days delinquent and the unemployment rate is over 14%.

Procedures for Preferences for Affordable Rental Dev.:

The Long Term Rental Housing Program provides improved access to affordable rental housing to households at or below 50% Area Median Income (AMI). The Program allows families who are not prepared to enter into home ownership, but are capable of paying rent to obtain stable and affordable rental housing.

Sub-recipient Responsibilities

The city will purchase abandoned, foreclosed upon, or short-sale homes at a 1% discount and complete any necessary rehabilitation work to ensure the home is in a decent, safe and habitable condition. The City of Las Vegas will select a property management company to manage the properties during the fifteen year period of affordability. The property management company will be selected through a Request For Proposal (RFP) process. The successful respondent will be the



first point of contact for households interested in renting and will be responsible for determining applicant eligibility. Each potential client will be provided with an informational packet that describes the program, their obligations, the property manager's responsibilities, and a sample copy of the rental agreement which must be executed between the property owner (City of Las Vegas) and the potential renter.

Eligible Persons

Long Term Rental housing may only be provided to individuals and families whose income is at or below 50% AMI. Incomes of participating tenants must be verified by the property management company before assistance is provided. Section 8 standards will be the verification tool.

Eligible Units

Formerly abandoned, foreclosed upon, and short-sale homes acquired by the City of Las Vegas with NSP3 funds for the Long Term Rental Housing Program within targeted Zip Codes. Units must meet Section 8 Housing Quality Standards (HQS). Inspections must be made at initial occupancy and annually during the length of tenancy. The HQS includes a basic occupancy standard of two persons per living/sleeping area. Rates for the affordable rental housing shall be based on the low HOME or fair market rent whichever is less to households who at the time of initial occupancy have income determinations that are equal to or less than 50% of area median income adjusted for family size as shown on the HUD Program Income Guidelines in effect at the time when the property is rented.

Procedures

The property management company will advertise the program in a manner best suited to reach the target population to be served. All homes will be affirmatively marketed to populations who would not otherwise avail themselves of this program. Potential applicants must fill out an application in person at the agency or their designated office. Applicants must provide acceptable, third party verification of all sources of gross income (this should include employment, benefits, pensions, food stamps, etc.

Provide copies of birth certificates and/or Social Security cards and picture ID, State of Nevada Medical cards with Children's social security number, as applicable for all persons who reside in the household.

Long Term Rental Housing Program

Subrecipient Responsibilities

The property manager will screen and select potential program participants in accordance with the Selection Criteria and provide monthly reports indicating the number of individuals entering the program, alongwith all required demographic information; and conduct HQS inspections prior to the tenant household occupying the unit.

Termination of Assistance

Any violation of the material provisions of the rental lease, income eligibility, or illegal activities will be cause for termination from the Program, in accordance with the provisions of the Program.

Grantee Contact Information:

All DRGR and program inquires should go to:

First: Darcell Campbell, Sr. Management Analyst, Office of Community Services, 495 S Main St, Las Vegas, NV 89101. Telephone: 702-229-2352. Email: dcampbell@lasvegasnevada.gov

Second: Arcelia Barajas, Community Services Administrator, Office of Community Services, 495 S Main St, Las Vegas, NV 89101. Telephone: 702-229-2264. Email abarajas@lasvegasnevada.gov

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance	<i>No activities in this project</i>	
CLV-ADM	Admin	clv-adm	Administration
CLV-ARR - B	CLV-ARR - B	clv -arr	Acquisition/Rehabilitation & Resale
		clv-ltr	Long Term Rental Housing (LTR)
CLV-HAP - A	CLV-HAP - A	clv-hap	Homebuyer Assistance



Activities

Project # / CLV-ADM / Admin

Grantee Activity Number: clv-adm
Activity Title: Administration

Activity Type:

Administration

Project Number:

CLV-ADM

Projected Start Date:

03/09/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Activity Status:

Under Way

Project Title:

Admin

Projected End Date:

03/09/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 2,045,062.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 2,045,062.00

Benefit Report Type:

NA

Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees

Organization carrying out Activity:

City of Las Vegas

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Las Vegas

Organization Type

Local Government

Proposed Budget

\$ 2,045,062.00

Location Description:



Activity Description:

The City will utilize its administrative funds through City staff direct salary charges to the NSP3 grant. This includes three full-time Housing Rehabilitation Specialists which oversee inspections of property for purchase as well as rehabilitation projects, a Neighborhood Programs Officer which oversees the NSP3 projects, and a Maintenance Worker that ensures the eligible NSP3 properties are maintained and secured during the process of purchase and rehabilitation until they are ready for sale or rent.

Environmental Assessment: EXEMPT

Environmental None

Project # / CLV-ARR - B / CLV-ARR - B

Grantee Activity Number: clv -arr
Activity Title: Acquisition/Rehabilitation & Resale

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 CLV-ARR - B

Projected Start Date:
 03/09/2011

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:
 Under Way

Project Title:
 CLV-ARR - B

Projected End Date:
 03/09/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 11,670,405.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 11,670,405.00

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
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# Owner Households	41	10	31	100.00
# of Households	41	10	31	100.00

Proposed Accomplishments

	Total			
# of Singlefamily Units	41			
# of Housing Units	41			
# of Elevated Structures				
# of Substantially Rehabilitated Units				
# ELI Households (0-30% AMI)				
Activity funds eligible for DREF (Ike Only)				
#Units ζ other green				
#Units deconstructed				
#Sites re-used				
#Units exceeding Energy Star				
#Units with bus/rail access				
#Low flow showerheads				
#Low flow toilets			27	
#Units with solar panels				
#Dishwashers replaced				
#Clothes washers replaced				
#Refrigerators replaced			22	
#Light fixtures (outdoors) replaced			7	
#Light Fixtures (indoors) replaced			32	
#Replaced hot water heaters			27	
#Replaced thermostats				
#Efficient AC added/replaced			24	
#High efficiency heating plants				
#Additional Attic/Roof Insulation				
#Energy Star Replacement Windows			8	
# of Properties			41	

Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees

Organization carrying out Activity:

City of Las Vegas

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Las Vegas

Organization Type

Local Government

Proposed Budget

\$ 11,670,405.00

Location Description:



Alexander-Buffalo-Gowan-El Capitan - 89129 Zip Code.
Neighborhood ID: 9755826
Census Tracts: 3207, 3209

Activity Description:

The City will use NSP-3 funds to acquire and rehabilitate abandoned, foreclosed, and short-sale homes at 1% below appraised value within Target neighborhoods to be made available for sale to qualified households earning up to 120% AMI through the CLV-HAP Activity. The unit and household performance measure reporting will take place under the CLV-HAP activity. CLV-ARR Activity is for property acquisition and rehabilitation only.

The City will assess the condition of prospective acquisitions, complete a rehabilitation scope of work, and commission an appraisal of the property with a selected Appraiser to determine whether a property meets the City's acquisition criteria. The City works with selected Brokers to purchase eligible properties and obtains the lowest, responsive and responsible bidder from a list of qualified local contractors to complete all necessary rehabilitation. Brokers and Appraisers are selected via the city's Request-For-Quote process.

Upon completion of rehabilitation work the homes are added to a list of move-in ready homes that are provided to selected non-profit agencies operating the Homebuyer Assistance Program for distribution to families who have completed their minimum 8 hour housing counseling and obtained a home loan pre-approval. All homes will be marketed, shown, and sold by selected Brokers. Any funds not used in a timely manner for this program will be allocated to the Homebuyer Assistance or Long Term Rental Housing or Professional Services programs.

Tenure of Beneficiaries/Term of Assistance/Affordability Period

The beneficiaries of the program will be households earning up to 120% AMI who are capable of ownership. Eligible households will also be able to obtain homebuyer assistance in the form of a deferred loan for mortgage buy down and/or down payment and/or closing costs up to \$50,000 for a single home purchase through selected non-profit agencies. The deferred loan will be secured by a Deed of Trust in favor of the City of Las Vegas for a period of up to fifteen years. During the first five years the full loan is repayable; however during years 6 through 15 the loan will be pro-rated and after the fifteenth year the deferred loan will automatically convert to a grant and all restrictions placed on the property through the receipt of the funding will terminate.

Discount Rate

Properties acquired by the City through the Acquisition/Rehabilitation & Re-sale Program will be discounted a minimum of 1% from the current appraised value based upon an appraisal by a certified appraiser completed not more than 60 days prior to the purchase date.

Range of Interest Rates

The City will use NSP-3 funds to pay all acquisitions and rehabilitation costs in full upon completion; therefore interest rates are not applicable. However, all loans related to the purchase of these properties by eligible households must be 30 year fixed interest rates consistent with the banking industry's daily rate with points and fees corresponding to the borrower's FICA score. Under no circumstance will a variable rate loan be considered.

ARR activity funding amount - \$6,792,905. The city in February 2013 increased the ARR activity by \$250,000. This increase will allow for the additional purchase of two (2) homes.

The amount of \$111,608.00 was revised from this activity to the HAP activity on 05/07/2019 in response to audit report number 2017-LA-1008, Recommendation 2E of Finding 2. These corrections are being made in DRGR only. The City is unable to adjust financial transactions within its ledger for prior periods. Aside from the financial statements having been audited and published, it is a violation of accounting principles and compromises the integrity of the City's official accounting record.

Professional Services - Broker and Appraiser Services will be paid from this activity - \$177,500.

Accomplishments (once the home has been sold or rented) will be recorded in the CLV-HAP.

Environmental Assessment: COMPLETED

Environmental None



Grantee Activity Number: clv-ltr
Activity Title: Long Term Rental Housing (LTR)

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

CLV-ARR - B

Projected Start Date:

03/11/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Activity Status:

Under Way

Project Title:

CLV-ARR - B

Projected End Date:

03/11/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 7,685,156.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 7,685,156.00

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households	21	21		100.00
# of Households	21	21		100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	21
# of Housing Units	21
#Low flow showerheads	29
#Low flow toilets	44
#Dishwashers replaced	19
#Refrigerators replaced	19
#Light fixtures (outdoors) replaced	50
#Light Fixtures (indoors) replaced	77
#Replaced hot water heaters	13
#Efficient AC added/replaced	20
# of Properties	21



Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees

Organization carrying out Activity:

City of Las Vegas

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Las Vegas

Organization Type

Local Government

Proposed Budget

\$ 7,685,156.00

Location Description:

Alexander-Buffalo-Gowan-El Capitan - 89129 Zip Code

Neighborhood ID: 9755826

Census Tracts: 3207, 3209

Activity Description:

The City of Las Vegas will purchase and rehabilitate abandoned, foreclosed, or short-sale homes. Through an agreement with the city, a non-profit or public agency will provide property management, market the properties, and enter into annual leases with households at 50% AMI. Rent revenue will be utilized to maintain the properties and cover the cost of the management fees. The selected management company will be chosen through a competitive RFQ process.

The City of Las Vegas will purchase and if necessary rehabilitate 38 abandoned, foreclosed, or short-sale homes for the purpose of providing affordable rental housing to households at or below 50% AMI for a period of at least 15 years. Following initial lease-up, at least 95% of the purchased homes will be occupied annually.

LTR activity funding amount - \$7,612,656.

Professional Services - Broker and Appraiser Services will be paid from this activity..

Accomplishment for occupied homes will be recorded under this activity.

Environmental Assessment: COMPLETED

Environmental None

Project # / CLV-HAP - A / CLV-HAP - A

Grantee Activity Number: clv-hap

Activity Title: Homebuyer Assistance

Activity Type:

Homeownership Assistance to low- and moderate-income

Activity Status:

Under Way

Project Number:

CLV-HAP - A

Project Title:

CLV-HAP - A

Projected Start Date:

Projected End Date:



03/11/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Owner Households

of Households

	Total	Low	Mod	Low/Mod%
# Owner Households	41			0.00
# of Households	41			0.00

Proposed Accomplishments

of Singlefamily Units

of Housing Units

	Total
# of Singlefamily Units	41
# of Housing Units	41

Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees

Organization carrying out Activity:

City of Las Vegas

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Las Vegas

Organization Type

Local Government

Proposed Budget

\$ 1,050,000.00

Location Description:

Alexander-Buffalo-Gowan-El Capitan - 89129 Zip Code

Neighborhood ID: 9755826

Census Tracts: 3207, 3209

Activity Description:

The Homebuyer Assistance Program (HAP) will assist families to purchase abandoned, foreclosed, or short-sale homes which were aquired and rehabbed under the city's CLV-ARR program to reverse the trend toward disinvestment and deterioration of properties and property values within targeted neighborhoods impacted by a high percentage of foreclosures. Income qualified households will attain homeownership through fixed rate mortgages at a monthly payment that is affordable and appropriate for the household income (not to exceed 30% of household monthly income). The household must invest a minimum of \$1,500 of personal funds or the equivalent of 3.5% of the



home sales price consistent with FHA financing rules if the home purchase is to be financed through FHA. This program will serve households earning up to 120% AMI and is not designed to serve those earning at or below 50% AMI.

Tenure of Beneficiaries/Term of Assistance/Affordability Period

The beneficiaries of the program will be households earning up to 120% AMI who are capable of ownership. The homebuyer assistance will be offered one time in the form of a deferred loan for mortgage buy down and/or one-half of down payment and/or closing costs up to \$50,000 for a single home purchase. The deferred loan will be secured by a Deed of Trust in favor of the City of Las Vegas for a period of up to fifteen years. During the first five years the full loan is repayable; however during years 6 through 15 the loan will be pro-rated and after the fifteenth year the deferred loan will automatically convert to a grant and all restrictions placed on the property through the receipt of the funding will terminate.

Discount Rate

Properties offered through the Homebuyer Assistance Program will have already been discounted a minimum of 1% from the current appraised value based upon an appraisal by a certified appraiser completed not more than 60 days prior to the purchase date.

Range of Interest Rates

Loans must be 30 year fixed interest rates consistent with the banking industry's daily rate with points and fees corresponding to the borrower's FICA score. Under no circumstance will a variable rate loan be considered.

Total Budget

A total of \$1,050,000 will be dedicated to the Homebuyer Assistance Program serving households earning up to 120% AMI. Program Income will be used to continue the funding of this program once the original budget has been expended. Funding not utilized in a timely manner for this program will be allocated towards the Acquisition/Rehabilitation & Re-sale or Long Term Rental Housing or Professional Services programs.

Performance Measures

The Homebuyer Assistance Program will serve households earning up to 120% AMI. Based on a projected average assistance per household of \$30,000 it is estimated that 40 households will be able to attain homeownership through the purchase of an abandoned, foreclosed, or short-sale home and retain it for the affordability period stated above.

The city will utilize the services of selected non-profit organizations to provide the Homeowner Counseling classes and certify eligibility. Once eligibility has been certified and the counseling course has been completed the individual will be eligible to receive financial assistance to purchase a city home purchased through the CLV-ARR Activity.

Accomplishments for homes sold and occupied will be recorded under this activity.

Revision based upon Audit Finding

The amount of \$111,608.00 was revised to this activity from the ARR activity on 05/07/2019 in response to audit report number 2017-LA-1008, Recommendation 2E of Finding 2. These corrections are being made in DRGR only. The City is unable to adjust financial transactions within its ledger for prior periods. Aside from the financial statements having been audited and published, it is a violation of accounting principles and compromises the integrity of the City's official accounting record.

Environmental Assessment: EXEMPT

Environmental None

Action Plan Comments:

Reviewer - 9/7/11

1. Foreclosure section: the second sentence is confusing - what sub-recipient?
2. Definition of affordable rents is different than that used for NSP1. Was this intentional? Having rents not to exceed 30% of household income, how can a good cash flow be projected?
3. Vicinity Hiring: add the word "and businesses" after "for residents".
4. Procedures for Preferences in Affordable Housing: a) Second sentence says "no sub-recipeints"



would be involved - is this correct? If so, other parts of this section should be revised. b) what standard is the city proposing to use to determine benefits - Section 8? IRS? Census Long Form? please add.

5. Procedure section please add that all homes will be affirmatively marketed to populations who would not otherwise avail themselves of this program.

6. It is strongly recommended that the city considers combining activity CLV-AAR and CLV-HAP. This will allow for easier and clearer reporting and tracking of accomplishments. It could all be combined as an Rehabilitation/Reconstruction of Residential Structures activity type. If left separate then the activity description should clearly note which activity will have the actual accomplishments and the other one would have no goals stated. This is to avoid double counting. Generally, if keeping the activities separate the reporting is typically under the rehab activity and the direct homebuyer assistance could have a goal of number of loans and that could be reported but no addresses or household data would be entered. Please refer to the DRGR webinar from February 2011 or NSP Resource Exchange for more information regarding activity set-up and accomplishment reporting.

7. Activity CLV-AAR no middle income households are being served? Activity location should include census tract block group and neighborhood identification number from the NSP 3 mapping tool data. How are brokers being selected? Please include. Delete goals from this activity if being reported on in CLV-AAR or vice versa.

8. CLV-HAP delete goals from this activity if being reported on in CLV-AAR or vice versa. Include in activity description how the accomplishments will be reported (does this activity include the homes acquired and rehabbed under CLV-AAR or vice versa?). Be very clear on reporting if AAR and HAP are being kept as separate activities.

Reviewer - 9/28/11

1. Under ¿Summary of Distribution and Uses of NSP Funds¿ The last paragraph is confusing. It reads like it is a separate activity but when the actual activity descriptions are read, the use of brokers and appraisers is included in the activity funding (ARResale and Long-term Rental). Revision is suggested.

2. Under ¿Ensuring Continued Affordability¿

a. Question: is refinancing covered in the City¿s loan agreement (i.e., that it is only allowed to lower the payment by at least \$100 or for some unforeseen repairs but not to take out cash) or should this be included here as one of the ways a homeowner would be required to repay NSP3 funds? ¿

b. On the repayment schedule for 10 years shouldn¿t the first bullet read year 6 50% because it is already stated that from 0 to year 5 100% of NSP3 funds would be recaptured?

c. The paragraph under ¿Foreclosure¿ is still unclear. There is mention of a ¿non-profit agency¿ referring homebuyers facing foreclosure to a counseling agency and to notify the City. How is a non-profit agency involved after the sale of a home to an eligible homebuyer? Please clarify the role of non-profit agencies after the homes have been sold. The statement that reads, ¿should the homebuyer lose possession of the property through foreclosure, the City must be properly notified by a recorded Request for Notice in order for the City to be included in the division of net proceeds¿ Consider rewriting this. Maybe the statement should read, ¿to ensure that the City is part of any foreclosure process, the City will record a Deed of Trust with the Clark County Recorder¿s Office which requires that the Recorder¿s Office notify the City of any foreclosure proceedings.¿ Or something along those lines. It is the Recorder¿s role to notify.

d. ¿Payoff¿ section is also unclear. What does a homeowner owe the City if they have repaid the funds according to the schedule? Please revise.

3. ¿Housing Rehabilitation/New Construction Standards¿ Under plumbing should low flow toilets also be included?

4. ¿Procedures for Preferences for Affordable Rental Housing¿

a. Under the bullet which starts with ¿Long Term Rental housing¿ ends with ¿and re-examine annually¿. ¿ Annual income certification is not a NSP requirement.

b. Under the bullet ¿Formerly abandoned, foreclosed upon, and short-sale homes¿: The last sentence indicates an inconsistency with the definition of affordable rents. It should read that rents cannot exceed the lessor of the low HOME rent or fair market rent¿ not ¿may not exceed 30% of the household income.

5. The activity funding is different than that published in the original amendment. It appears that a total of \$52,500 was shifted from the long-term rental activity to the ARResale and HAP. Please explain.

6. CLV-ARResale add under activity description that household accomplishments will be reported under the clv-hap activity since the HAP clients are purchasing home already assisted with NSP3 funds and to avoid double counting. The same is true for the CLV-HAP only in reverse. This way it does not need to be stated in each QPR since this data is migrated into the QPR from

the Action Plan.

- Reviewer - 11/28/11 Reviewed plan on 11/25/11 and emailed grantee with questions; grantee responded on 11/28/11 and plan needed to be rejected to allow grantee to modify and post on website. Grantee clarified that all rental activities serve households with incomes at or below 50% AMI and therefore does not want to broaden their definition of affordable rents.
- Reviewer - 12/19/11 Plan rejected because proposed beneficiaries under CLV-HAP need to be clarified and activity descriptions for CLV-ARR and HAP are still confusing. See comments under each activity.
- Reviewer - 12/22/11 All requested changes made (HAP no moderate income goal & LTR report benefit type Direct (Households). Plan approved.
- Reviewer - 2/21/13 Grantee to make minor revisions as noted in the activities when the plan is next updated.
- Reviewer - 7/9/13 Grantee increased the budget on its ARR activity by \$5,000,000 for PI.
- Reviewer - 7/29/13 Plan reviewed and approved.
- Reviewer - 10/22/13 Grantee still has non-sense characters throughout the plan and have failed to make revisions requested previously.
- Reviewer - Many activities have no proposed budgets in the PDF version. Grantee to report this to DRGR through HUD Exchange. Also most activities need to have "Is this activity being carried out by grantee?" say NO but it should be YES. This change has been requested since 2013.
- Reviewer - The changes to the action plan align with prior discussions with grantee, TA provider and with the OIG. CPD reviewer concurs with the changes.
- Reviewer - The draft action plan was submitted by the city previously and was discussed and reviewed with KDJ and MH.
- Reviewer - The grantee amended its NSP1 and NSP3 grants proposing to sell a significant number of NSP-purchased houses that were rented, and use that money as NSP PI to be used to redevelop the historic West Side, which is in an opportunity zone. Please refer to the NSP1 checklists for more information.

Action Plan History

Version	Date
B-11-MN-32-0002 AP#1	11/28/2011
B-11-MN-32-0002 AP#2	12/22/2011
B-11-MN-32-0002 AP#3	01/30/2012
B-11-MN-32-0002 AP#4	07/30/2012
B-11-MN-32-0002 AP#5	02/21/2013
B-11-MN-32-0002 AP#6	07/09/2013
B-11-MN-32-0002 AP#7	07/29/2013



B-11-MN-32-0002 AP#8	10/22/2013
B-11-MN-32-0002 AP#9	04/28/2015
B-11-MN-32-0002 AP#10	12/31/2015
B-11-MN-32-0002 AP#11	01/19/2016
B-11-MN-32-0002 AP#12	04/15/2016
B-11-MN-32-0002 AP#13	05/16/2016
B-11-MN-32-0002 AP#14	05/09/2019
B-11-MN-32-0002 AP#15	09/20/2019
B-11-MN-32-0002 AP#16	10/29/2019

