Grantee: Clark County, NV

Grant: B-11-UN-32-0001

October 1, 2019 thru December 31, 2019 Performance Report

Grant Number:
B-11-UN-32-0001

Obligation Date:

Award Date:

Grantee Name:
Clark County, NV

Contract End Date:

Review by HUD:
Reviewed and Approved

Grant Award Amount:
$20,253,261.00

Grant Status:
Active

QPR Contact:
Shawna Thompson

LOCCS Authorized Amount:
$20,253,261.00

Estimated PI/RL Funds:
$2,500,000.00

Total Budget:
$22,753,261.00

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

The following narratives describe each of the three proposed target areas in detail. Clark County and North Las Vegas have proposed eligible NSP3 activities in these areas and NSP3 funds will be distributed by these areas based upon the cost of each activity in order to make the necessary impact to the target area. A summary of all activities by target area, budget and national objective is as follows (updated December 2012): , , Acquisition/Rehab/Rental - Winchester & Walnut Park - $5,250,000 - Low income housing to meet 25% set aside (LH25) , Acquisition/Rehab/Resale - Winchester - $6,000,000 - Low Moderate Middle Income Housing (LMMH) - Budget update November 2012 , Acquisition for Rulon Earl Mobile Manor - East Las Vegas - $625,000 - Low income housing to meet 25% set aside (LH25) , Homebuyer Assistance Program - Southwest Clark County - $0 (Activities Cancelled August 2012) - Low Moderate Middle Income Housing (LMMH) , Land Bank - Buena Vista Springs, North Las Vegas - $6,352,432 - Low Moderate Middle Income Area Benefit (LMMA) , Administration - $2,025,326 , , In order to ensure timely expenditure of the NSP3 funds, Clark County has amended our original plan to acquire vacant single family homes in addition to foreclosed and abandoned single family homes (effective November 2012) for the Acquisition Rehab programs for Rental and Resale. The budgets will be adjusted as needed depending on the qualifying status of the property and corresponding NSP3 eligible use. Therefore the Acquisition/Rehab programs for both the Southern Nevada Regional Housing Authority and Housing for Nevada (HFN) will be split between two activities (and two corresponding NSP3 projects) in order to properly report under activity for each eligible use (Eligible use B & E). TARGET AREA for ACQUISITION/REHABILITATION FOR RENTAL AND HOMEOWNERSHIP: WINCHESTER Clark County, Neighborhood ID #2785827 The Winchester target area has the highest possible HUD need factor score of 20 indicating that this is an area of greatest need for Clark County. With over 300 foreclosure starts in the past year and with the majority of housing constructed more than 25 years ago (84% of the homes were constructed between 1980 and 1984), older housing stock will greatly benefit from a rehabilitation program and older neighborhoods typically experience slower absorption rates than newer communities. In addition, it is estimated that 25% of housing units are 90 days or more delinquent and over 35% of the housing units had a high cost mortgage between 2004 and 2007. Therefore the rate of foreclosures is a continued risk and concern. There were 166 REO units over the past year and an estimated 60 properties must be assisted with NSP3 funds in order to achieve a meaningful impact. This target area is a sub-area of the NSP1 Plan for Clark County. Despite heavy foreclosure inventory and risk, this area has a relatively low vacancy rate of 4.6% (Las Vegas Metropolitan area average vacancy was 6.44% as of September 2010) indicating that efforts to acquire foreclosed properties will provide a relatively greater visible impact on neighborhood stabilization due to the lower likeod of vacancy contributing to furod deine. The Wincher area is currently a mixed-use community comprised of retail centers, community facili, outdoor recreation,

Summary of Distribution and Uses of NSP Funds:

and a variety of housing stock types including single family, multi-family and manufactured housing. Proposed activities to encourage additional affordable options for both rental and homeownership ensure that any one type of housing will not be concentrated, but rather will continue the mixed housing composition of this community. An acquisition/rehabilitation program will meet the goals of NSP3 within this deeply targeted area to acquire foreclosed and vacant property, re

How Fund Use Addresses Market Conditions:

Southern Nevada's foreclosure crisis is extensive and widespread throughout all corners of the Valley. Based upon HUDs definition and estimates of need, all but one census tract in Clark County qualified for NSP3 funding with a minimum HUD foreclosure related needs score of 17 out of 20 (17 is the minimum threshold score for the State of Nevada). The Southern Nevada region housing market is arguably the hardest hit metropolitan area in the country and in many ways, the epicenter of the financial and housing crisis. This can be attributed to not only the initial wave of economic distress as experienced in many areas, but also the continued inability to slow and reverse the continued decline across multiple indicators. The

cyclical and volatile nature of the region's two primary industries, gaming and tourism, continue to impact the area's slow recovery as they are dependent upon a national economic recovery and increased consumer confidence. However, recent indicators show that a small economic recovery may have begun in recent months. The Clark County tourism index is now 5.95% higher than a year ago as a result of recent growth in gaming revenue, hotel room occupancy and passenger counts at the airport. Although a long way off from pre-recession levels, this is the highest growth level since 2007 signaling a possible upward trend for this important economic sector. The construction industry also posted a small increase in the number of construction jobs and residential permits in October 2010 which is an encouraging sign, but industry experts cannot yet say if this industry has reached bottom. Since 2007, approximately 70,000 housing units have been foreclosed upon and we continue to experience approximately 6,000 new foreclosures every quarter. Based upon the estimated number of housing units in Clark County for 2010 (814,868), this represents a new foreclosure rate of approximately 3% per year. The actual number of foreclosures is difficult to assess due to the phantom inventory of foreclosures held by banks but not yet made available for sale. We do not know the timing of when financial institutions may release a significant number of REO properties in a particular neighborhood. It is also estimated that 25% of all mortgage holders are experiencing serious delinquency (90 days or more past due) which is the second highest level in the nation and indicates that foreclosure rates will continue to increase throughout 2011. Housing prices in this region have fallen more than 50% since their peak through 2010, the largest decline of any other metropolitan area. Despite some increases in housing prices in other U.S. markets, prices continue to decline in Southern Nevada. However, declines in house prices have been slowing steadily throughout 2010. The high percentage of local homes purchased with cash in 2010 was the highest ever recorded (48%) and likely unmatched anywhere in the nation. It is also expected to increase through 2011. The housing market continues to experience relatively high absorption rates, although micro-markets exist throughout Clark County and older more deteriorated neighborhoods absorb inventory at a much slower pace. At the end of 2009, 71% of all single family homes in the metropolitan area sold within 60 days and by the end of 2010, 60% of all homes sold within 60 days.&nb

How Fund Use Addresses Market Conditions:

sp; These statistics indicate significant investor activity and competition for homeowners at affordable price points. It is estimated that approximately 40% of all home sales are to investors rather than owner occupied buyers. In addition, 2010 experienced a trend in the continued increase in short sales with 25% of all home sales occurring when the bank agrees to sell the home for less than what the borrower owes on the mortgage. The median price of single family homes sold

Ensuring Continued Affordability:

Long Term Affordability will be in accordance with the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f) for rental properties and 24 CFR 92.254 for homeownership housing. Using the HOME program affordability periods will provide for a minimum length of affordability; however, the County may require longer affordability periods that exceeds the HOME program requirements as the NSP program evolves. Affordability periods will be enforced through grant agreements with nonprofit subgrantees, and a Deed of Trust with the public jurisdiction as Trustee and Beneficiary.

Definition of Blighted Structure:

Blighted Structure is defined based on Title 18, Chapter 231 in Nevada Revised Statutes, which defines a blighted urban area. Combining this definition with the definition of “structure” provides the definition of blighted structure.
A blighted structure is a structure that is used or intended to be used for residential, commercial, industrial or other purposes, or any combination thereof, which is unfit or unsafe for those purposes and is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime because of one or more of the following factors:

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- Defective design and character of physical construction.

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- Faulty arrangement of the interior and spacing of buildings.

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- Overcrowding.

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- Inadequate provision for ventilation, light, sanitation, open spaces and recreational facilities.

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- Age, obsolescence, deterioration, dilapidation, mixed character or shifting of uses.

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Definition of Affordable Rents:

Affordable Rents for NSP3 in Clark County and North Las Vegas follow the HOME program standards at 24 CFR 92.252 (a), (c), (e), and (f).

Procedures for Preferences for Affordable Rental Dev.:

With an estimated 814,868 housing units in Clark County as of March 2011, there are currently 20,552 units available as housing with a continued affordability period, and an additional 577 units of housing currently under construction. This represents only 2.6% of our market and is predominantly multi-family housing. Based upon 2000 Census data and estimates of housing burden in our region (households paying more than 30% of income on rent), there is a need for 11,623 additional affordable rental housing units in our market.
In order to meet HUD's requirement of a minimum of 25% of NSP3 funds used to assist low income households (at or below 50% AMI) as well as to meet the rental housing preference requirement of the Dodd Frank Act, a total of $5,250,000 (25.92%) is allocated to the Acquisition Rehabilitation and Rental program. With these funds and estimates of property purchase prices and rehab expenses, this activity will provide for 35 units of affordable rental housing (single family homes). All homes acquired and rehabbed under this activity will be rented to households earning no more than 50% AMI and will have a required affordability period enforced by a Deed of Trust. Although this activity represents just a fraction of the total affordable housing needed County-wide, this activity will provide much needed affordable rental opportunities for families in single family homes with 2-5 bedrooms. This activity intends to build upon an existing portfolio of scattered-site single family home properties maintained by the Southern Nevada Regional Housing Authority as well as their current waiting list of NSP-eligible tenants.
In addition to these procedures specific to NSP3, Clark County has a series of other incentives designed to provide preference for affordable housing:

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- Expedited permitting process through plans check if development will serve households at or below 80% AMI

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- Density bonuses available for developments targeting seniors and the disabled through a special use permit process

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- Transfer of land at reduced cost (reserved Bureau of Land Management sites or County owned property)

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Housing Rehabilitation/New Construction Standards:

NSP Rehab Standards for Rental and Homeownership Effective June 8, 2010
See website for link to full document: http://www.clarkcountynv.gov/Depts/admin_services/comresmgmt/Pages/nsp.aspx
These standards require minimum repair and replacement standards in order to improve home performance through the use of energy efficient technologies/materials, to improve water conservation, and to utilize renewable energy sources. The rehabilitation of single family homes involving gut-rehab will meet these standards to ensure the standard for Energy Star Qualified New Homes as required by the NSP3 Notice. Energy retrofits will also ensure that all products and appliances used meet Energy Star standards and requirements.
All properties rehabbed with NSP3 funds will undergo energy audit testing prior to the start of rehab (Test In) in order to aid in the development of the scope of work as well as after the completion of rehab (Test Out) in order to determine the level of home performance achieved through rehabilitation. This testing will be performed by an auditor certified as a HERS/RESNET rater as well a certified Building Performance Institute (BPI) Building Analyst.
In addition, all properties will meet local health/safety building code requirements prior to occupancy. This includes all properties acquired through the Homebuyer Assistance Program (no rehab funds provided as a part of NSP3).

Vicinity Hiring:

When faced with a choice between a qualified contractor/job applicant located from within one of the NSP3 target areas and a qualified contractor/job applicant located from outside of the NSP3 target area, Clark County and North Las Vegas (as well as all applicable subgrantees who hire for NSP3 funded projects) will select the qualified contractor/job applicant from inside the target area. The vicinity hiring requirement will be addressed through all NSP3 activities including Administration and a specific requirement included in the grant agreements with all Subrecipients and Developers. The Southern Nevada Regional Housing Authority will seek to hire a resident of their current properties located within the Winchester target area (senior housing) as part of their strategy to meet this requirement. Clark County and North Las Vegas will require all General Contractors hired for NSP3 projects to complete a NSP3 New Hired report prior to the start of construction/rehab. This report must be submitted to the nonprofit/Developer/jurisdiction prior to the reimbursement of any rehab/construction activity with NSP3 funds.

Grantee Contact Information:

Clark County
Department of Administrative Services
Community Resources Management Division
500 S. Grand Central Pkwy, Box 551212
Las Vegas, NV 89155-1212
phone: (702) 455-5025
fax: (702) 455-5038
e-mail:krc@clarkcountynv.gov

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	$22,277,231.88
Total Budget	$0.00	$21,388,329.26
Total Obligated	$0.00	$21,388,329.26
Total Funds Drawdown	$0.00	$20,737,370.21
Program Funds Drawdown	$0.00	$18,359,924.59
Program Income Drawdown	$0.00	$2,377,445.62
Program Income Received	$0.00	$2,377,445.62
Total Funds Expended	$0.00	$20,034,034.98
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	$3,037,989.15	$0.00
Limit on Admin/Planning	$2,025,326.10	$1,278,597.87
Limit on Admin	$0.00	$1,278,597.87
Most Impacted and Distressed Threshold (Projected)	$0.00	$0.00
Progress towards LH25 Requirement	$5,688,315.25	$6,468,900.11

Overall Progress Narrative:

No current activity or open projects for this quarter.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
CC-NLV-NSP3-C, Demolition	$0.00	$6,352,432.00	$5,475,167.06
CC-NSP3 B, Acquisition and Rehab	$0.00	$10,986,000.00	$8,752,186.87
CC-Redev-E, CC Redev Vacant	$0.00	$3,147,116.17	$2,904,073.64
NSP3 Admin, Admin	$0.00	$1,912,000.00	$1,228,497.02