

City of Carson City Agenda Report

Date Submitted: November 22, 2010

Agenda Date Requested: December 2, 2010

Time Requested: 20 minutes

To: Mayor and Board of Supervisors

From: Public Works – Planning Division

Subject Title: Action to authorize a Request for Proposals for Community Housing Development Organizations (CHDO's) to submit proposals for the construction, sale and monitoring of a single-family residence on Carson City property located at 1180 Palo Verde Drive, APN 004-141-05, to develop affordable housing for a family whose income at the time of application for such housing does not exceed 80 percent of the median gross income for families in Carson City pursuant to the provisions of NRS 244.287. (Lee Plemel)

Summary: The subject lot is approximately 7,800 square feet in size, located on a residential street with existing houses on either side, and is adjacent to Mills Parks. The property previously contained a City well, which has been abandoned. The proposed action would allow the construction of one single-family home on the property.

Type of Action Requested:

(____) Resolution

(____) Ordinance

(____) Formal Action/Motion

(X) Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to authorize a Request for Proposals for Community Housing Development Organizations to submit proposals for the construction, sale and monitoring of a single-family residence on Carson City property located at 1180 Palo Verde Drive, APN 004-141-05, to develop affordable housing for a family whose income at the time of application for such housing does not exceed 80 percent of the median gross income for families in Carson City pursuant to the provisions of NRS 244.287.

Explanation for Recommended Board Action: See attached staff memo.

Applicable Statute, Code, Policy, Rule or Regulation: NRS 244.287

Fiscal Impact: Disposal of the City property would increase property tax revenue to the City.

Explanation of Impact: Upon sale of the proposed home, the property would no longer be tax-exempt (under public or non-profit ownership) and property taxes would be collected by the City.

Funding Source: N/A

Alternatives: Do not authorize the disposal of the property.

Supporting Material:

- 1) Staff memo
- 2) Draft Request for Proposal document
- 3) NRS 244.287
- 4) HUD family income limits table
- 5) Property locator map

Prepared By: Lee Plemel, Planning Director

Reviewed By:

Joe Ode
(Planning Division Director)

Chris Johnson
(Public Works Director)

Mark C. Johnson
(Parks & Recreation Director)

Mark C. Johnson
(City Manager)

DeeDee New
(District Attorney's Office)

Date: 11-22-10

Board Action Taken:

(Vote Recorded By)



Carson City Planning Division

108 E. Proctor Street
Carson City, Nevada 89701
(775) 887-2180
planning@carson.org
www.carson.org/planning

MEMORANDUM

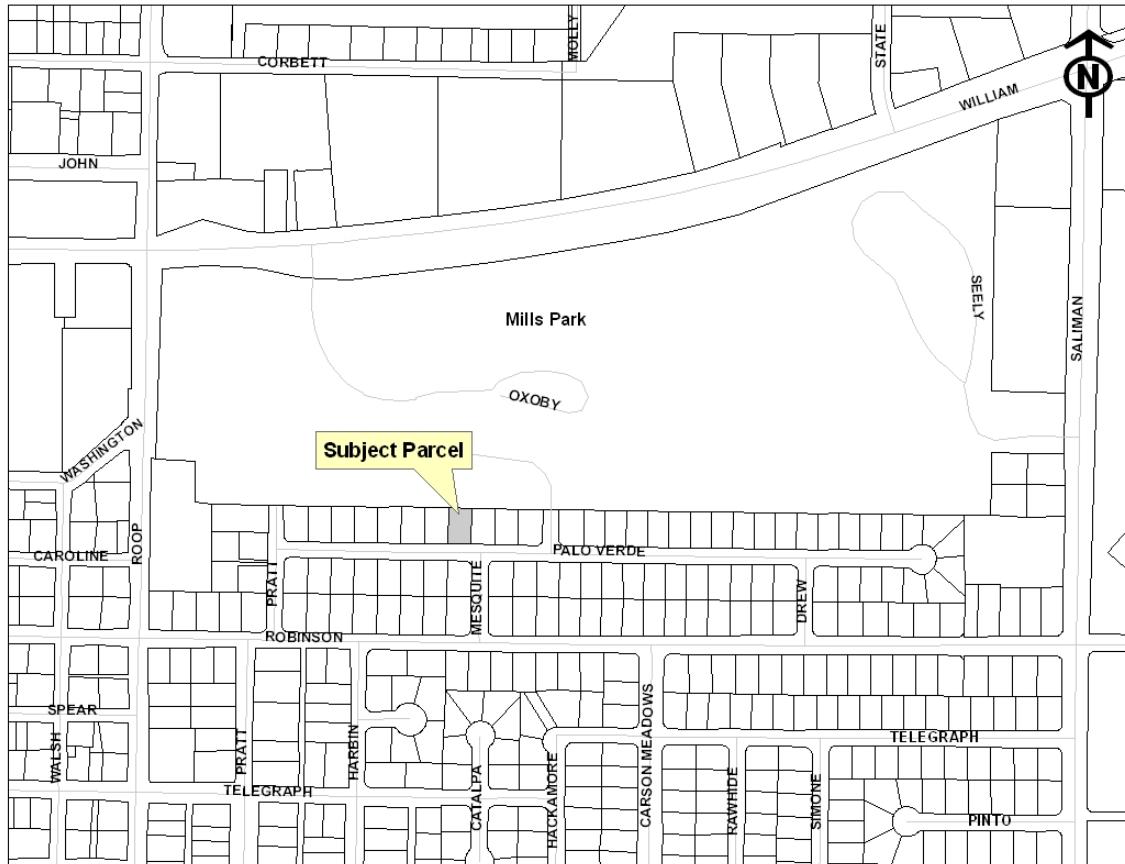
Board of Supervisors Meeting of December 2, 2010

FROM: Lee Plemel, Planning Director

DATE: November 18, 2010

SUBJECT: Disposal of City Property at 1180 Palo Verde Drive for Affordable Home

The subject parcel is owned by Carson City and contained a well up until a few years ago, when the well was abandoned. The lot is adjacent to Mills Park and, therefore, has been managed by the Parks and Recreation Department since the abandonment of the well. The lot is zoned Single Family 6,000 (SF6) consistent with the zoning of the existing residential properties to the south, east and west.



The Parks and Recreation Department has indicated that they have no desire to construct park facilities on the subject lot. In fact, they indicate that maintenance and liability on the property has been an issue that they would rather not deal with and they recommend disposing of the property. Access to Mills Park from Palo Verde Drive is provided via an existing entrance approximately 250 feet to the east of the subject lot, so the parcel is not needed for that purpose.

Within the last few years, City staff has been approached by several housing organizations looking for potential properties to construct affordable housing, particularly for-sale housing. The Carson City Master Plan identifies approximately nine acres of City property in the Butti Way area for future housing, and City staff has been approached about constructing housing on that property.

However, since the City has not entered into such a housing agreement in the past, staff is recommending that the City take on this much smaller project (one house) as a pilot affordable housing project. The subject lot seems very well suited for this project, since the lot was apparently created as a residential lot, has the appropriate zoning, and construction of a home would fit into the existing neighborhood. The house would be required to meet all applicable zoning and construction standards. There would be no indication from the outside appearance of the house that it was an "affordable" house.

The Carson City Community Development Block Grant (CDBG) Consolidated Plan and Carson City Master Plan indicate that the City desires to promote affordable and "workforce" housing. Carson City has certified in the CDBG Consolidated Plan that it will affirmatively further fair housing. Master Plan Goal 9.2a is to "identify public lands including City-owned properties that would be appropriate for affordable housing development." The proposed project would help meet these goals.

NRS 244.287 allows local governments to dispose of property for affordable housing, with certain conditions. The primary condition of note is that the property must be maintained as "affordable housing" for at least 50 years. This would be done through a deed restriction and is proposed to be monitored through the Community Housing Development Organization that is selected to construct and manage the project. This requires the family to meet the HUD 80 percent income limits at the time of purchase, and any subsequent sale of the property must be to a family meeting the income limits. (For example, a family of four in Carson City would qualify if they make no more than \$52,000 per year.) The proposal may include a target of affordability for families earning less than 80 percent of the City's median household income. The income requirements would not require a family to sell the home if they exceed the annual income limits in years subsequent to their purchase of the home.

The draft Request for Proposals (RFP) is attached with more information on the requirements. The applicable NRS section and a map of the subject area are also included for your review. If you have additional questions, you can contact me at 283-7075 or plemel@carson.org.

REQUEST FOR PROPOSALS

THIS IS NOT AN ORDER

ADVERTISED RFP # _____

RELEASE DATE: _____

Carson City invites qualified HUD-approved Community Housing Development Organizations (CHDO) to submit proposals for the construction, sale and monitoring of a single-family residence on Carson City property located at 1180 Palo Verde Drive, APN 004-141-05, to develop affordable housing for a family whose income at the time of application for such housing does not exceed 80 percent of the median gross income for families in Carson City pursuant to the provisions of NRS 244.287. Proposals shall be submitted in accordance with the provisions and requirements as set forth in this Request for Proposals (RFP).

PROPOSALS shall be submitted to the **CARSON CITY FINANCE DEPARTMENT, PURCHASING AND CONTRACTS**, City Hall, 201 N. Carson Street, Carson City, Nevada 89701, by no later than 4:00 p.m. on _____.

RECOMMENDATION FOR AWARD will be made by the City Review and Selection Committee.

FINAL SELECTION will be made by the Carson City Board of Supervisors, and is tentatively scheduled for Thursday, _____. Should it become necessary to reschedule the date set for award, notice will be provided to those finalists selected. In all instances, a decision rendered by the Carson City Board of Supervisors shall be deemed final.

1. INTRODUCTION (General Information)

- 1.1 Carson City invites interested CHDO's to submit proposals for the construction, sale and monitoring of a single-family residence on Carson City property on Palo Verde Drive, APN 004-141-05, to develop affordable housing for a family whose income at the time of application for such housing does not exceed 80 percent of the median gross income for families in Carson City, pursuant to the provisions of NRS 244.287. The Contract that will result from this RFP will include the scope of work indicated in Section 4.
- 1.2 A City Review and Selection Committee will evaluate the proposals submitted.
- 1.3 During evaluation, the City Review and Selection Committee reserves the right, where it may serve the City's best interest, to request additional information or clarification from the Nonprofit Organization, or to allow corrections of errors or omissions.
- 1.4 Final selection will be made by the Carson City Board of Supervisors. A decision rendered by the Carson City Board of Supervisors shall be deemed final.

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- 1.5 Submission of a proposal indicates acceptance by the CHDO of the conditions contained in this Request for Proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the resultant contract between Carson City and the CHDO selected.
- 1.6 The use of the term “Community Housing Development Organization” (CHDO) refers to a HUD-approved, private nonprofit, community-based service organization whose primary purpose is to provide and develop decent, affordable housing for the community it serves, and as further defined in Chapter 24 of the Code of Federal Regulations (CFR) Part 92.2. A CHDO is an organization recognized by the Internal Revenue Service as a 501(c)(3) nonprofit organization. The City may accept one or more CHDO teaming up for joint venture to prepare the required services, but the City will recognize such a consortium as a single entity only with one juridical personality.
- 1.7 There is no expressed or implied intent or obligation for Carson City to reimburse responding CHDO's for any expenses incurred in preparing proposals as well as travel expenses during interviews in response to this Request for Proposals.
- 1.8 Carson City shall reserve the right to terminate any agreement resultant from this solicitation and subsequent action for cause but not limited to inadequacy of performance.

2. CARSON CITY CONTACT PERSON:

- 2.1 Until the receipt and opening of proposals, the proposers' principal contact with Carson City will be as listed below. All questions are to be submitted in writing and potential Proposers will receive copies of all questions and answers except for the questions that are considered proprietary. Questions that are considered proprietary by Carson City will only be answered to the proposer who asked the question. Questions will only be received through _____.

Sandy Scott-Fisher
Carson Finance Department – Purchasing and Contracts
201 N. Carson Street, Suite 3
Carson City, NV 89701
775-887-2133 x7137
e-mail: SScott@carson.org
FAX: 775-887-2107

- 2.2 All contacts regarding the proposal should be with the above-named individual only. Proposers contacting other City staff or City officials may be disqualified for doing so.

3. BACKGROUND INFORMATION:

- 3.1 Carson City desires to promote affordable and “workforce” housing as identified in the Carson City Community Development Block Grant (CDBG) Consolidated Plan and Carson City Master Plan. Carson City has certified in the Consolidated Plan that it will affirmatively further fair housing. Master Plan Goal 9.2a is to

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“identify public lands, including City-owned properties, that would be appropriate for affordable housing development.” The proposed project would help meet these goals.

- 3.2 “Affordable housing” means housing that is affordable to families that earn no more 80 percent of the Carson City median family income per U.S. Department of Housing and Urban Development (HUD) income limits tables. (For example, the annual income limit in FY 2010 for a family of four is \$52,000 to qualify as “low- to moderate-income” per HUD standards.)
- 3.3 The subject lot was purchased by Carson City for use as a municipal well site. The lot has been abandoned for use as a well site and remains vacant. The well has been abandoned in compliance with all applicable laws and may be constructed upon without further remediation. The lot is zoned Single Family 6,000, which allows single family residences consistent with the adjacent residential properties.
- 3.4 NRS 244.287 allows local governments to convey property to nonprofit organizations for the development of affordable housing, without consideration (without charge for the property), provided that the housing must remain available for sale only to persons meeting the income requirements for a minimum of 50 years.

4. SCOPE OF WORK:

- 4.1 The services being sought under this Request for Proposal include those activities necessary for the contracting, construction, sale and monitoring of a single-family house for sale to persons who meet HUD income limits for low- to moderate-income households (not more than 80 percent of the median household income level for Carson City) in accordance with the provision of NRS 244.287, *Conveyance of property to nonprofit organization for development of affordable housing*.
 - 4.1.1 **Agreements.** The CHDO shall enter into an agreement with Carson City that requires the CHDO or its designee to use the property to provide affordable housing for at least 50 years. The agreement shall establish expectations and performance measures for the completion of the project in compliance with the Proposal submitted by the CHDO.
 - 4.1.2 **Construction.** The CHDO shall construct or contract for the construction of a single family house in conformance with the Single Family 6,000 zoning district standards and other Carson City building codes and requirements.
 - 4.1.3 **Sale of House.** The CHDO shall make the house available for purchase by a family with a household income of less than 80 percent of the Carson City median family income per HUD income limits. The sale of the house shall include a deed restriction requiring the use of the house as the primary residence of the owners, not as a rental property. The deed restriction shall also make provisions for any subsequent sales of the property to ensure its continued availability, for a minimum of 50 years, to only families meeting the HUD income limits at the time of sale.

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4.1.4 Monitoring. The CHDO or its designee shall monitor the property and future sales of the property to ensure its continued availability only to families meeting the HUD income limits for minimum of 50 years.

5. RFP REQUIREMENTS:

5.1 Submission of RFP Proposals. Applicants shall submit a master copy (so marked) of the Proposal and nine copies to include a title page showing the RFP subject; the nonprofit organization's name, address, telephone number, fax number and email address of a contact person. The Proposal must be received on or before the date and time set for receipt of proposals. Proposals shall be clear and straightforward, and not exceed 30 pages in length not including company brochures.

5.2 Proposals shall contain the following information:

5.2.1 A statement of project understanding.

5.2.2 Proposed project approach, including construction, sale and monitoring the affordable house.

5.2.3 Organization capacity for completing the project and ensuring the continued use of the home as a primary residence for income-qualifying families.

5.2.4 Proposed schedule or time line for completion of the project.

5.2.5 Key personnel information, including:

A. Key staff, including project manager information.

B. Relevant experience.

C. Demonstrated commitment and availability to the project.

5.2.6 Proof of HUD-approved CHDO status, including a copy of the IRS tax exempt 501(c)(3) letter, proof of incorporation certificate from the Secretary of State, current organization chart with names of staff members, list of current Board of Directors with terms of office, and a copy of the organization's most recently submitted federal tax return (Form 990 or 990EX).

5.3 Proposers shall send their completed Proposals to the following person at the address indicated. Further, they should indicate the RFP number and Firm Name on the outside of the sealed Proposal Package to:

Sandy Scott-Fisher, Purchasing and Contract Coordinator
Carson City Finance Department – Purchasing and Contracts
201 N. Carson Street, Suite 3
Carson City, Nevada 89701

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6. EVALUATION OF PROPOSALS:

- 6.1 Proposals submitted will be evaluated by the City Review & Selection Committee for a recommendation to the Board of Supervisors.
- 6.2 The final selection will be made by the Board of Supervisors at a meeting date to be determined. Applicants will be advised of the Board of Supervisors meeting date at least two weeks prior to the meeting.
- 6.3 The following categories will be evaluated in the selection process:
 - 6.3.1 Qualifications of the organization to provide the services and complete the project.
 - 6.3.2 Professional qualifications of individuals to be assigned to project.
 - 6.3.3 Demonstrated experience in such project as identified.
 - 6.3.4 Quality of services proposed and comprehensiveness of such projects.
 - 6.3.5 Suitability of proposed approach.
 - 6.3.6 If Carson City receives more than one proposal, Carson City must give priority to an application that demonstrates to the satisfaction of the Board of Supervisors that the organization or its designee will use the property to develop affordable housing for persons who are disabled or elderly. (NRS 244.287[5])

7. RIGHT TO REJECT PROPOSALS:

- 7.1 Submission of proposal indicates acceptance by the Nonprofit Organization of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the subsequent contract between Carson City and the Nonprofit Organization selected.
- 7.2 Carson City reserves the right to reject any or all proposals and to award to the Nonprofit Organization the City deems most qualified and whose award of the contract will accrue to the best interests of the City.
- 7.3 Late proposals will not be accepted. Prospective proposers are held responsible that their proposals arrive at the Carson City Finance Department - Purchasing & Contracts on or before the designated time and date.

8. WITHDRAWAL OF PROPOSALS:

- 8.1 Requests to withdraw proposals received before the Board of Supervisors meeting to select the CHDO shall be made in writing to the Purchasing and Contracts Coordinator.

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9. CONTRACT TERMINATION:

9.1 Carson City reserves the right to terminate the contract if the CHDO does not perform as required by the terms of the contract. Reasons for termination may include, but are not limited, to the following:

- 9.1.1 Failure to provide sufficient personnel as identified in the RFP.
- 9.1.2 Failure to provide the principal Team as submitted.
- 9.1.3 Substitution of the Team or other identified personnel without prior approval of Carson City.

10 INSURANCE

10.1 General Liability:

10.1.1 The successful Proposer shall be required to furnish and maintain throughout the term of the proposed Agreement, prior to commencement of construction, such general liability and property damage insurance as shall protect him/her and any sub-consultants, agents, and employees performing work covered by the proposed Agreement from claims for, but not limited to, bodily injury, sickness, disease, death, or property damage arising or resulting from the proposer's performance, or by any sub-consultant, person, firm, or employee directly or indirectly employed by him/her. The successful Proposer shall furnish the City a certificate of said insurance, with limits no less than One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury, personal injury as well as property damage and with the City added as a co-insured.

10.2 Worker's Compensation:

10.2.1 The successful Proposer shall purchase and maintain throughout the term of the contract such Industrial Insurance (SIIS) as will protect him from claims which may arise out of or result from the Consultant's execution of the work on this project, whether such execution be by the Consultant or by any sub-consultant, or by anyone directly or indirectly employed by any of the consultants, or by anyone for whose acts any of them may be liable.

11. OBJECTION BY UNSUCCESSFUL PROPOSER:

11.1 The selection of the nonprofit organization by the Board of Supervisors is final.

12. ATTACHMENTS:

- 12.1 NRS 244.287.
- 12.2 Aerial photo of subject property.
- 12.3 HUD FY 2010 Income Limits Summary table

*** END OF DOCUMENT ***

NRS 244.287 Conveyance of property to nonprofit organization for development of affordable housing: Application; public hearing; conditions; annual list of property conveyed; subordination of interest in property conveyed.

1. A nonprofit organization may submit to a board of county commissioners an application for conveyance of property that is owned by the county if the property was:

(a) Received by donation for the use and benefit of the county pursuant to NRS 244.270.

(b) Purchased by the county pursuant to NRS 244.275.

2. Before the board of county commissioners makes a determination on such an application for conveyance, it shall hold at least one public hearing on the application. Notice of the time, place and specific purpose of the hearing must be:

(a) Published at least once in a newspaper of general circulation in the county.

(b) Mailed to all owners of record of real property which is located not more than 300 feet from the property that is proposed for conveyance.

(c) Posted in a conspicuous place on the property that is proposed for conveyance.

→ The hearing must be held not fewer than 10 days but not more than 40 days after the notice is published, mailed and posted in accordance with this subsection.

3. The board of county commissioners may approve such an application for conveyance if the nonprofit organization demonstrates to the satisfaction of the board that the organization or its assignee will use the property to develop affordable housing for families whose income at the time of application for such housing does not exceed 80 percent of the median gross income for families residing in the same county, as that percentage is defined by the United States Department of Housing and Urban Development. If the board of county commissioners receives more than one application for conveyance of the property, the board must give priority to an application of a nonprofit organization that demonstrates to the satisfaction of the board that the organization or its assignee will use the property to develop affordable housing for persons who are disabled or elderly.

4. If the board of county commissioners approves an application for conveyance, it may convey the property to the nonprofit organization without consideration. Such a conveyance must not be in contravention of any condition in a gift or devise of the property to the county.

5. As a condition to the conveyance of the property pursuant to subsection 4, the board of county commissioners shall enter into an agreement with the nonprofit organization that requires the nonprofit organization or its assignee to use the property to provide affordable housing for at least 50 years. If the nonprofit organization or its assignee fails to use the property to provide affordable housing pursuant to the agreement, the board of county commissioners may take reasonable action to return the property to use as affordable housing, including, without limitation:

(a) Repossessing the property from the nonprofit organization or its assignee.

(b) Transferring ownership of the property from the nonprofit organization or its assignee to another person or governmental entity that will use the property to provide affordable housing.

6. The agreement required by subsection 5 must be recorded in the office of the county recorder of the county in which the property is located and must specify:

(a) The number of years for which the nonprofit organization or its assignee must use the property to provide affordable housing; and

(b) The action that the board of county commissioners will take if the nonprofit organization or its assignee fails to use the property to provide affordable housing pursuant to the agreement.

7. A board of county commissioners that has conveyed property pursuant to subsection 4 shall:

(a) Prepare annually a list which includes a description of all property that was conveyed to a nonprofit organization pursuant to this section; and

(b) Include the list in the annual audit of the county which is conducted pursuant to NRS 354.624.

8. If, 5 years after the date of a conveyance pursuant to subsection 4, a nonprofit organization or its assignee has not commenced construction of affordable housing, or entered into such contracts as are necessary to commence the construction of affordable housing, the property that was conveyed automatically reverts to the county.

9. A board of county commissioners may subordinate the interest of the county in property conveyed pursuant to subsection 4 to a first or subsequent holder of a mortgage on that property to the extent the board deems necessary to promote investment in the construction of affordable housing.

10. As used in this section, unless the context otherwise requires, "nonprofit organization" means an organization that is recognized as exempt pursuant to 26 U.S.C. § 501(c)(3).

(Added to NRS by 1997, 1735; A 1999, 3535)

FY 2010 Income Limits Summary

Carson City, Nevada											
FY 2010 Income Limit Area	Median Income	FY 2010 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person	
Carson City	\$65,000	Very Low (50%) Income Limits	\$22,750	\$26,000	\$29,250	\$32,500	\$35,100	\$37,700	\$40,300	\$42,900	
		Extremely Low (30%) Income Limits	\$13,650	\$15,600	\$17,550	\$19,500	\$21,100	\$22,650	\$24,200	\$25,750	
		Low (80%) Income Limits	\$36,400	\$41,600	\$46,800	\$52,000	\$56,200	\$60,350	\$64,500	\$68,650	

Income Limit areas are based on FY 2010 Fair Market Rent (FMR) areas. For a detailed account of how this area is derived please see our associated FY 2010 Fair Market Rent documentation system.

City Property for Potential Disposal
1180 Palo Verde Drive

