

**City of Carson City
Agenda Report**

Date Submitted: July 26, 2011

Agenda Date Requested: August 4, 2011

Time Requested: 10 minutes

To: Mayor and Board of Supervisors

From: Public Works-Planning Division

Subject Title: For Possible Action: To adopt a Resolution providing for the transfer of Carson City's share of the 2011 private activity bond cap to the Nevada Rural Housing Authority and other matter properly related thereto. (Janice Brod)

Summary: Carson City may annually allocate a share of State money set aside for tax exempt loans for industrial development and affordable housing projects, referred to by the State as "private activity bond volume cap." Carson City may allocate its share to specific projects that apply and qualify with the State, or the allocation goes back into the general State-wide pool.

Type of Action Requested:

Resolution
 Formal Action/Motion

Ordinance
 Other (Specify)

Does This Action Require A Business Impact Statement: () Yes (X) No

Recommended Board Action: I move to adopt Resolution Number 2011-R-_____, a resolution providing for the transfer of Carson City's share of the 2011 private activity bond cap to the Nevada Rural Housing Authority and other matter properly related thereto.

Explanation for Recommended Board Action: No other applications for allocation of the City's share of the State private activity bond volume cap were received. Nevada Rural Housing Authority has implemented four tax-exempt bond programs, helping nearly 900 families purchase their first home. These programs have resulted in \$148 million dollars of mortgage loan activity, provided over \$4.2 million dollars in down payment assistance grants, and \$3.1 million dollars in tax savings.

Applicable Statute, Code, Policy, Rule or Regulation: NRS 348A

Fiscal Impact: N/A

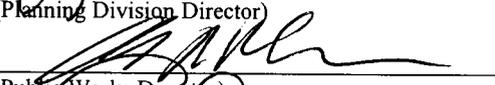
Explanation of Impact: N/A

Funding Source: N/A

Alternatives: 1) Deny the resolution

Supporting Material: 1) Resolution
2) Certificate of Transfer of Volume Cap
3) Request from Nevada Rural Housing Authority

Prepared By: Janice Brod, Grants Program Coordinator

Reviewed By:  Date: 7-26-11
(Planning Division Director)
 Date: 7/26/11
(Public Works Director)
 Date: 7/26/11
(City Manager)
 Date: 7/26/11
(District Attorney's Office)
 Date: 7/26/11
(Finance Director)

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____

(Vote Recorded By)

RESOLUTION NO. 2011-R- ____

RESOLUTION PROVIDING FOR THE TRANSFER OF CARSON CITY'S SHARE OF THE 2011 PRIVATE ACTIVITY BOND CAP TO THE NEVADA RURAL HOUSING AUTHORITY AND OTHER MATTERS PROPERLY RELATED THERETO.

WHEREAS, pursuant to the provisions of Ch. 348A of the Nevada Revised Statutes ("NRS") and Ch. 348A of the Nevada Administrative Code ("NAC"), there has been allocated to Carson City, Nevada (the "County" and the "State", respectively), the amount of \$2,847,400.24 in tax-exempt private activity bond cap for calendar year 2011 ("2011 Bond Cap"); and

WHEREAS, the Nevada Rural Housing Authority ("NRHA"), has requested that the County transfer its 2011 Bond Cap to NRHA for the purpose of providing a means of financing the costs of single family residential housing that will provide decent, safe and sanitary dwellings at affordable prices for persons of low and moderate income ("Single Family Program"); and

WHEREAS, the County is a local government as defined by NAC 348A.070; and

WHEREAS, Section 348A.180 of the NAC provides a procedure whereby the County may, by resolution, transfer to any other local government located within the same county, all or any portion of its 2011 Bond Cap; and

WHEREAS, pursuant to NRS 315.983(1)(a), NRHA is an instrumentality, local government and political subdivision of the State; and

WHEREAS, NRHA is located within Carson City, pursuant to NRS 315.963, which defines NRHA's area of operation as "any area of the State which is not included within the corporate limits of a city or town having a population of 100,000 or more" ("Area of Operation"); and

WHEREAS, it is the intent of NRHA, to the extent tax-exempt private activity bond cap is available ("NRHA Bond Cap"), to match the 2011 Bond Cap transferred to NRHA pursuant to this Resolution for Single Family Program in County in accordance with the terms and conditions herein contained.

NOW, THEREFORE, the Board of Supervisors of the County does hereby find, resolve, determine and order as follows:

Section 1. Recitals. The recitals set forth herein above are true and correct in all respects.

Section 2. Transfer of Private Activity Bond Cap. Pursuant to NAC 348A.180, County hereby transfers, 2011 Bond Cap in the amount of \$2,847,400.24 to the NRHA for its Single Family Program.

Section 3. Conditions on Transfer. The transfer made in Section 2 is subject to the conditions contained within this Section. Prior to using the 2011 Bond Cap outside of County, NRHA shall, through its Single Family Programs, for a period of ninety (90) days make a commercially reasonable attempt to originate loans or issue mortgage credit certificates, as applicable, within County in an amount at least equal to the 2011 Bond Cap, plus any matching NRHA Bond Cap. After ninety (90) days of NRHA's using the 2011 Bond Cap for issuance of single family mortgage revenue bonds, or in exchange for the authority to issue mortgage credit certificates, all geographic conditions imposed by County on NRHA's use of the 2011 Bond Cap shall terminate, and NRHA shall be free to originate loans anywhere within its Area of Operation. NRHA will use the 2011 Bond Cap for single family purposes in calendar year 2011, or carry forward any remaining amount according to the tax code for such purposes.

Section 4. Representative of County. Pursuant to NAC 348A.180(1), the Director may contact Richard F. Jost, Esq., on behalf of Jones Vargas, Special counsel to County regarding this resolution at (702) 862-3383 or in writing c/o Jones Vargas, 3773 Howard Hughes Parkway, Third Floor South, Las Vegas, Nevada 89109.

Section 5. Additional Action. The Chairman and Clerk of the County are hereby authorized and directed to take all actions as necessary to effectuate the transfer of the 2011 Bond Cap, and carry out the duties of County hereunder, including the execution of all certificates pertaining to the transfer as required by NAC Ch. 348A.

Section 6. Direction to NRHA. NRHA shall notify the Director in writing as soon as practicable of the occurrence or nonoccurrence of any term or condition that would affect the disposition of the 2011 Bond Cap.

Section 7. Representative of NRHA. Pursuant to NAC 348A.180(3), the Director may contact Richard F. Jost, Esq., on behalf of Jones Vargas, counsel to NRHA regarding this resolution at (702) 862-3383 or in writing c/o Jones Vargas, 3773 Howard Hughes Parkway, Third Floor South, Las Vegas, Nevada 89109.

Section 8. Obligations of County. This Resolution is not to be construed as a pledge of the faith and credit of or by the County, or of any agency, instrumentality, or subdivision of the County. Nothing in this Resolution obligates or authorizes the County to issue bonds for any project or to grant approvals for a project or constitutes a representation that such bonds will be issued.

Section 9. Enforceability. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the

remaining provisions of this resolution. This resolution shall go into effect immediately upon its passage.

ADOPTED, SIGNED AND APPROVED this ____ day of _____, 2011.

By: _____
Robert L. Crowell, Mayor
Carson City, Nevada

ATTEST:

By: _____
Alan Glover, Clerk
Carson City, Nevada

STATE OF NEVADA)
) ss.
COUNTY OF CARSON CITY)

I, Alan Glover, the duly appointed and qualified Clerk of Carson City, Nevada (the "County") do hereby certify that:

The foregoing is a true and correct copy of Resolution No. ___ passed by the Board of Supervisors at a regular meeting thereof held at _____, Nevada, the regular meeting place of the Board of Supervisors, on _____, the ___ day of _____, 2011.

A true copy of the Resolution has been duly entered into the records of that meeting and signed by the Chairman and myself, as Clerk;

The foregoing pages, numbered 1 through 3, inclusive, constitute a true and correct copy of the record of proceedings of the Board of Supervisors at said meeting insofar as the proceedings relate to the Resolution;

The proceedings were duly had and taken;

All members of the Board of Supervisors were given due and proper notice of the meeting including, but not limited to, the notice required by NRS 241.020; and

The Resolution was passed by the following vote:

Those voting aye: _____

Those voting nay: _____

Those abstaining or absent: _____

IN WITNESS WHEREOF, I have hereunder set my hand this ___ day of _____, 2011.

Alan Glover, Clerk
Carson City, Nevada

CERTIFICATE OF TRANSFER OF VOLUME CAP

I, Alan Glover, am the duly chosen and qualified County Clerk of Carson City, Nevada (the "County") and in the performance of my duties as County Clerk do hereby certify to the Office of Business Finance and Planning in accordance with Section 348A.260 of the Nevada Administrative Code ("NAC"), that the private activity bond volume cap allocated to County for 2011 in the amount of \$2,847,400.24 has been transferred as follows:

1. \$2,847,400.24 has been transferred pursuant to NAC 348A.180 from County, a local government, to the Nevada Rural Housing Authority, a local government located within Carson City for the purpose of providing a means of financing the costs of single family residential housing that will provide decent, safe and sanitary dwellings at affordable prices for persons of low and moderate income.

This certificate is being filed within five (5) days of the transfer being made in accordance with NAC 348A.260.

Alan Glover, Clerk
Carson City, Nevada

cc: w/encl

Richard F. Jost, Esq., Jones Vargas
Gary Longaker, Nevada Rural Housing Authority



July 8, 2011

Larry Werner, Carson City Manager
201 N. Carson Street, Suite 2
Carson City, Nevada 89701

Dear Mr. Werner:

Earlier this year you received a notice from the State of Nevada Department of Business and Industry regarding your share of the 2011 Private Activity Bond (PAB) Cap allocation (attached).

NRHA has implemented four tax-exempt bond programs under "Home at Last" using transferred allocations from the cities and counties.

In 2009, NRHA announced our newest "Home at Last" product, the Mortgage Credit Certificate (MCC) Program, the first MCC program in Nevada's history. Like bond programs, the MCC helps rural Nevadans purchase their first home. It provides a dollar-for-dollar federal income tax credit equal to 20% or 30% of the interest paid on a mortgage loan. We recently implemented our second MCC Program. The MCC Programs also use our PABC allocation.

THIS WOULD NOT HAVE HAPPENED WITHOUT THE TRANSFERS OF PRIVATE ACTIVITY BOND CAP FROM EACH OF YOU AND THE MATCHING FUNDS PROVIDED THROUGH THE PRIVATE ACTIVITY BOND CAP COMMITTEE.

We estimate the average family in our MCC program will save \$2,000 per year and this savings will continue every year based upon the actual interest paid.

Since 2006, we have been very proud that both the bond and MCC programs responded to the Nevada Legislature intent of sharing the Private Activity Bond Cap allocation with the cities and counties. It also stimulates the economy and helps jurisdictions maintain or increase their tax base.

The catalyst for all these programs is the transfer/matching funds concept. That concept has led to the wonderful partnership that NRHA now has with the rural cities and counties. It is a win-win-win for the state, the cities and the counties, but mostly for the families.

We are requesting Carson City's unused PAB allocation for 2011. The process requires a resolution and transfer certificate, which needs to be signed and forwarded immediately following your meeting, as these items must be turned in to the Division of Business and Industry within three days.

RE: Page Two



3695 Desatoya Drive Carson City, NV 89701 | p: 775-887-1795 | f: 775-887-1798
TDD: 800-545-1833 ext.545 | nvrural.org | help@nvrural.org



July 8, 2011

Nevada Rural Housing Authority will also be asking for matching funds from the Private Activity Bond Cap Committee. The continued success of our programs is predicated on your transfer and the transfer from the other cities and counties.

We would like to request that you schedule this item for your next available Board of Supervisors meeting. A proposed transfer resolution and certificate is attached.

The four bond and MCC programs have help nearly 900 families purchase their first home. These programs have resulted in \$148 million dollars of mortgage loan activity, provided over \$4.2 million dollars in down payment assistance grants, and \$3.1 million dollars in tax savings.

I've saved the best for last. In the next few weeks NRHA is implementing a new bond program that will provide down payment assistance in the form of a grant, and, for the families that qualify within income and purchase price limits, will be able to also use the MCC program. A description of the new program is also attached. Before the summer is over I will be coming to your community to provide a complete overview of our newest program.

We would like to thank Carson City for your ongoing support of the transfer matching fund program. From 1988 to 2005 you were unable to use this allocation. The transfer/matching funds program not only returns the allocation in the form of mortgages for first time homebuyers, but you receive matching funds, a tremendous return on investment.

Sincerely,



D. Gary Longaker
Executive Director

Attachments: 2011 PABC funding allocation, transfer resolution, transfer certificate, bond program description



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Director of the Department of Business & Industry
Distribution of Federal Tax Exempt Private Activity Bonding Authority [CAP]

For Use in Calendar Year 2011



Based upon Estimates from the Nevada Department of Taxation and the Nevada State Demographer's Office

Counties & Incorporated Cities	2010 Resident Population Estimate**		Percentage of State Population	Population Share of Total State CAP Allocable* From a base = \$ 138,910,000
	County Totals	Jurisdiction Totals		
Carson City	55,850	55,850	2.04982%	2,847,400.24
Churchill County	26,360			
Fallon		8,903	0.32676%	453,901.60
Unincorporated County		17,457	0.64071%	890,010.13
Clark County	1,968,831			
Boulder City		15,359	0.56371%	783,047.81
Henderson		267,270	9.80939%	13,626,224.92
Las Vegas		586,536	21.52715%	29,903,361.61
Mesquite		20,440	0.75019%	1,042,092.41
North Las Vegas		217,482	7.98206%	11,087,883.59
Unincorporate County		861,744	31.62788%	43,934,289.54
Douglas County	49,242	49,242	1.80729%	2,510,504.61
Elko County	52,097			
Carlin		2,370	0.08698%	120,829.70
Elko		18,842	0.69154%	960,621.58
Wells		1,531	0.05619%	78,054.96
West Wendover		4,999	0.18347%	254,863.99
Unincorporated County		24,355	0.89388%	1,241,690.83
Esmeralda County	1,145	1,145	0.04202%	58,375.53
Eureka County	1,609	1,609	0.05905%	82,031.64
Humboldt County	18,364			
Winnemucca		7,961	0.29219%	405,875.62
Unincorporated County		10,403	0.38181%	530,376.09
Lander County	5,992	5,992	0.21992%	305,490.10
Lincoln County	4,631			
Caliente		1,144	0.04199%	58,324.55
Unincorporated County		3,487	0.12798%	177,777.70
Lyon County	52,334			
Fernley		18,434	0.67657%	939,820.52
Yerington		3,034	0.11135%	154,682.41
Unincorporated County		30,866	1.13285%	1,573,641.11
Mineral County	4,471	4,471	0.16410%	227,944.97
Nye County	45,459	45,459	1.66844%	2,317,635.94
Pershing County	7,133			
Lovelock		2,274	0.08346%	115,935.33
Unincorporated County		4,859	0.17834%	247,726.37
Storey County	4,234	4,234	0.15540%	215,862.00
Washoe County	417,379			
Reno		217,282	7.97472%	11,077,686.99
Sparks		92,331	3.38875%	4,707,310.86
Unincorporated County		107,766	3.95525%	5,494,233.38
White Pine County	9,503			
Ely		4,235	0.15543%	215,912.98
Unincorporated County		5,268	0.19335%	268,578.41
Totals =	2,724,634	2,724,634	100.0000%	\$ 138,910,000

*From IRS: irs.gov/irb/2010-12_IRB/ar05.html Nevada = \$277,820,000

**State Demographer's 'Governor Certified Population of Nevada Counties, Cities and Towns at 2010'



HOME AT LAST ADVANTAGE PROGRAM

Nevada Rural Housing Authority newest bond program offers both down payment assistance and great flexibility.

Home at Last Advantage offers:

- FREE cash down payment grant equal to 4% of the loan amount
- Estimated 5.0% 30-year fixed mortgage rate subject to change based upon market conditions
- Can be coupled with Home at Last MCC program to lock in annual federal income tax savings of \$1,500 to \$2,000

Who qualifies:

- First-time homebuyers (have not owned a home in the past three years)
- Qualified veterans who will live in home as primary residence
- Other buyers who are buying home as primary residence
- Households meeting income qualifications and normal FHA, VA or RHS underwriting requirements
- Home purchase is in NRHA jurisdiction (population fewer than 100,000)
- Must participate in homebuyer education

Income Limit:

- Household income must be less than \$95,000
- If coupling program with Home at Last MCC, then MCC program limits apply

Fees:

- 1% discount point and 1% origination fee

Getting started

Visit NRHA website at www.nvrural.org for program details and a list of participating lenders. Or contact our office at: (775) 887-1795.

